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Report Highlights:

In marketing year (MY) 2022/23, FAS Cairo forecasts fresh orange exports to reach 1.7 million metric tons (MMT) up from 1.3 MMT in MY 2021/22. Post attributes the increase in exports to higher production amid favorable climate conditions. Russia, Saudi Arabia, Netherlands, Bangladesh, India, United Arab Emirates, China, United Kingdom, Malaysia, and Sultanate Oman are likely to remain Egypt's top ten export destinations for fresh oranges.

Planted Area:

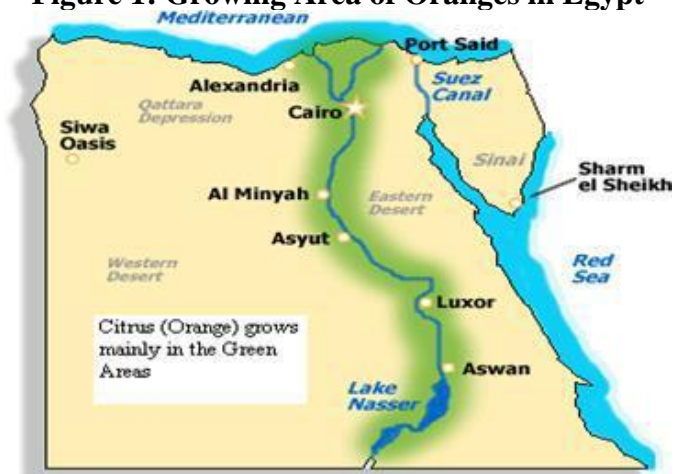
In MY 2022/23, FAS Cairo forecasts total planted area in oranges at 172,200 hectares (ha), up by 4.5 percent than the previous marketing year. Post attributes the increase in planted area due to increase in market demand, export potential and ongoing efforts by grower's associations and the Horticulture Research Institute (HRI) affiliated with Agriculture Research Center (ARC) for the past couple of years to replace old orchards with newer trees in the Nile Valley.

MY 2021/22 planted area at 168,000 ha remains unchanged from the USDA official estimate. Most of the area planted with oranges is in desert reclaimed lands which account for 75 percent of the total area. Plantations in the Nile Delta region account for 25 percent of the total orange planted area.

Post forecasts MY 2022/23 total harvested area at 151,200 ha, a 12 percent increase from last year. The increase in area harvested is attributed to a 7.7 percent increase in the number of bearing trees from the previous year due to optimum favorable weather conditions during flowering time that positively impacted fruit set, and hence the harvest as a result.

Growers also prefer to cultivate oranges over other fruit types due to their high export demand and value as well as a well-established supply chain that allows small growers (who would otherwise not have the capacity to export) to capitalize on export markets by selling their crop to larger commercial farms and exporters. Oranges are grown in almost all of Egypt's governorates; however, the delta governorates of Qalyoubia, Beheira, Sharqiya, Ismailia and Menufia are the main producing areas (Figure 1: See the green area on both sides of the Nile Basin).

Figure 1: Growing Area of Oranges in Egypt



Production:

In MY 2022/23, FAS Cairo forecasts orange production to increase by almost 20 percent, to reach to 3.6 MMT compared to the previous marketing year estimate of 3.0 MMT. The increase in production is attributed to optimum weather conditions and temperatures during flowering of the trees which increased fruit set and production. Over the last 25 years, citrus growers and commercial farms have focused on producing clean fruit to maintain high volumes in high-value export markets.

Egypt's commercial farms and growers use an Integrated Pest Management (IPM) approach to control pests and diseases in their orchards. IPM incorporates the use of biological control and other management tools to effectively control pests in the most environmentally sensible way possible. The Plant Protection Institute (PPI) and the Horticultural Research Institute (HRI), in addition to Growers Associations are the leading source of information about pests and diseases affecting orange orchards and providing recommendations for best management tools and practices.

Increase in the production of oranges was also attributed to following good agricultural practices and recommendations set by HRI and private growers associations for improving on-farm irrigation techniques, adopting up-to-date nutrient management and integrated pest and disease management programs as well as reducing post-harvest losses. MY 2021/22 orange production remains unchanged from the USDA official projection of 3.0 MMT.

Most of Egypt's orange production comes from commercial farms on reclaimed desert land established during the last three decades, rather than the Nile Valley where land ownership is an acre or less and farmers cannot afford the necessary level of investment for sustainable orange production.

Despite these challenges, replacing old orchards with newer trees and implementing a knowledge-based extension which enables farmers to access several programs via applications on cell phones has, allowed for best agricultural practices via ongoing efforts of growers' associations and the government. In addition to the prominent research role that HRI plays to overcome climate change impacts through breeding efforts and crop improvement, a large part of HRI currently focuses on water use efficiency per acre of oranges.

Oranges are the major citrus 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 exported, primarily to Saudi Arabia, UAE, Russia, and the Netherlands. 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 extend 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. Navel oranges represent 20 percent of total volume of oranges exported.

Valencia Orange: Valencia ranks second after Navel oranges as far as area cultivated and represents 80 percent of all oranges exported. 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, and it is medium to large-sized with a 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 oranges. 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 2022/23, FAS Cairo forecasts that fresh orange domestic consumption will increase by approximately 14.3 percent to reach 1.6 MMT. Increase in local consumption is attributed to population growth which has hit 104.25 million (CAPMAS, est. November 2022). Consumers have also increased their utilization of fresh oranges amid the COVID-19 pandemic due to its high vitamin-C content.

In MY 2022/23, utilization of oranges by the processing sector is forecast to remain unchanged from the previous marketing year. MY 2021/22 fresh domestic consumption is being revised upward from USDA official estimate by 12 percent driven by population growth, while processing estimate remains unchanged from the USDA official estimate due to limited processing capacity.

Trade:

In MY 2022/23, FAS Cairo forecasts orange exports to increase by approximately 30.7 percent to reach 1.7 MMT. Post attributes this increase to higher production and opening new markets for Egyptian oranges. The rise in global prices amid increased consumer demand will also contribute to higher volume of exports. FAS Cairo anticipates Egypt to maintain its position as the number one orange exporter in MY 2022/23.

Post is revising downward the estimates of fresh orange exports in MY 2021/22 to 1.3 MMT from the USDA official estimate of 1.45 MMT. Post attributes this decrease to a slowdown in exports to major destinations ranging between 3 to 50 percent amid the Russian war on Ukraine and the repercussions it produced thus impacting international trade and the global economy.

Most orange exporters are producers own packing facilities 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.

The Central Administration for Plant Quarantine (CAPQ) of the Ministry of Agriculture and Land Reclamation (MALR) and the Agricultural Export Council (AEC) have agreed to start the orange export season on December 1st, 2022 for the MY 2022/23. 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.

Orange exports have increased partly due to successful joint efforts such as phytosanitary work, negotiations, and exchanges by CAPQ and the Agriculture Export Council (AEC) to open new markets in India, New Zealand, Brazil, Japan and very recently the Philippines as well as other markets over the last few years. 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 exporting.

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 five marketing years with a total volume of 9.62 MMT.

All these developments support a positive outlook for Egyptian orange exports in MY 2022/23 as well as encouraging agribusinesses to invest in increasing planted areas and establishing new packing facilities or expanding capacity.

In MY 2021/22, Egyptian orange exports reached 104 countries compared to 113 countries in MY 2020/21 with Russia, Saudi Arabia, Netherlands, Bangladesh, India, United Arab Emirates, United Kingdom, China, Malaysia, and Sultanate of Oman as Egypt’s top ten export destinations for oranges (Figure 2).

Figure 2: Top Ten Markets for Egypt’s Fresh Orange Exports



Egypt’s exports of fresh oranges to its top ten destinations in MY 2021/22 amounted to 947,725 MT compared to 1.12 MMT in MY 2020/21, a decrease of 15.4 percent due to the slowdown in international trade impacted by the Russia-Ukraine war. In MY 2021/22, Egypt’s fresh orange exports to the top ten destinations constituted 73 percent of total exports compared to 74.6 percent in MY 2020/21. This drop is due to a smaller overall export volume in MY 2021/22 compared to fresh orange exports in MY 2020/21.

In MY 2021/22, the most significant increase in Egypt’s fresh orange exports across the top ten export destinations was only to Malaysia with a 24 percent increase compared to the previous marketing year due to increased demand for vitamin C supplements to combat COVID-19.

In addition to orange exports which represented 83.2 percent of total citrus exports in MY 2021/22, other citrus exports included tangerines (10 percent), lemons (5.8 percent), and grapefruit (1 percent). Orange juice exports (HS code 200911) in CY 2022 (Jan -Sep) amounted to 2,869 MT, compared to 1,897 MT in CY 2021 (Jan -Sep).

Marketing:

Both Egypt and South Africa are top suppliers of oranges to the global market; however, their export seasons do not coincide, so they do not compete in respective markets.

Russia: Turkey is Egypt's main competitor in the Russian market. However, due to consumer preference, Egypt's total exports to Russia in CY 2021 (Jan-Dec) was at 244,502 MT exceeding the Turkish origin by a wide margin – Turkey shipped 85,979 MT. (Source: Trade Data Monitor, LLC)

Saudi Arabia: Egypt's main competitors in the Saudi Arabian market is traditionally Spain; however, in CY 2022 (Jan-Aug), Egypt's exports of fresh oranges to the Saudi Arabian market amounted to 253,140 MT exceeding the Spanish origin which amounted at 15,212 MT. (Source: Trade Data Monitor, LLC)

EU- 28: Egypt's main competitor in the European Union is Morocco. In CY 2022 (Jan -Sep) Fresh oranges exports from Egypt to the EU amounted to 217,829 MT against 44,574 MT from Morocco. (Source: Trade Data Monitor, LLC)

India: Egypt has no competitors in the Indian market. In CY 2022 (Jan – Sept), Egyptian exports amounted to 88,331 MT while South Africa supplied almost 20,000 MT to the Indian market, but due to different growing seasons for both Egyptian and South African oranges, they do not compete. (Source: Trade Data Monitor, LLC).

China: Egyptian exports to the Chinese market amounted to 47,621 MT in CY2022 (Jan-Oct), with competition from the United States of exports amounting to 16,522 MT in CY 2022 during the same period. (Source: Trade Data Monitor, LLC)

United Kingdom: Egypt's main competitor in the UK market is mainly Spain. In CY 2022 (Jan-Sep), Spain's exports of fresh oranges to the United Kingdom amounted to 93,300 MT, while Egypt's exports of fresh oranges to the UK amounted to 60,557 MT during the same period. (Source: Trade Data Monitor, LLC)

Ukraine: In CY 2022 (Jan -Aug), Egyptian exports to Ukraine amounted to 26,000 MT while Turkey supplied 34,000 MT during the same period. In CY 2021, Egyptian exports of fresh oranges were significantly higher at around 48,000 MT. (Source: Trade Data Monitor, LLC)

Malaysia: In CY 2022 (Jan-Sep), Egypt exported 42,716 MT to Malaysia. Egypt is considered the major supplier of oranges to the Malaysian market and jumped from 28.3 percent of the market share to 38.4 percent the market share in one calendar year. (Source: Trade Data Monitor, LLC).

Production, Supply, and Distribution:

Oranges, Fresh Market Year Begins	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	168000	168000	168000	168000	0	172200
Area Harvested (HECTARES)	145000	145000	135000	135000	0	151200
Bearing Trees (1000 TREES)	13910	13910	12910	12910	0	13910
Non-Bearing Trees (1000 TREES)	10000	10000	10000	10000	0	10000
Total No. Of Trees (1000 TREES)	23910	23910	22910	22910	0	23910
Production (1000 MT)	3570	3570	3000	3000	0	3600
Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	3570	3570	3000	3000	0	3600
Exports (1000 MT)	1701	1701	1450	1300	0	1700
Fresh Dom. Consumption (1000 MT)	1519	1519	1250	1400	0	1600
For Processing (1000 MT)	350	350	300	300	0	300
Total Distribution (1000 MT)	3570	3570	3000	3000	0	3600
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Attachments:

No Attachments