



Foreign Agricultural Service

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Egypt

Cotton

Cotton Outlook

1999

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Report Highlights:

Egyptian cotton export prices for 1999/2000 marketing season have been reduced by about 10 percent compared with previous season prices.

Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Cairo [EG1], EG

PSD Table						
Country:	Egypt					
Commodity:	Cotton					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		08/97		08/98		08/99
Area Planted	3736820	373602	332000	281400	260400	275100
Area Harvested	3736820	373602	332000	281400	260400	275100
Beginning Stocks	157825	157825	215545	195275	118005	118005
Production	337450	333450	300000	228000	218000	233730
Imports	0	4000	0	0	20000	20000
TOTAL SUPPLY	495275	495275	515545	423275	356005	371735
Exports	50000	70000	65000	95000	80000	95730
USE Dom. Consumption	224730	225000	205270	205270	185000	185000
Loss Dom. Consumption	5000	5000	5000	5000	5000	5000
TOTAL Dom. Consumption	229730	230000	210270	210270	190000	190000
Ending Stocks	215545	195275	240275	118005	86005	86005
TOTAL DISTRIBUTION	495275	495275	515545	423275	356005	371735

A- Area Planted and Production:

PS&D estimates for the MY 1999/2000 have been revised to reflect new information obtained from the Egyptian cotton industry. The estimate for total area planted was revised upward from 260,400 hectares to 275,1000 hectares, or about 2 percent lower than the area planted in MY 1998/99. The estimate for total cotton production was also revised upward from 218,000 MT to 233,730 MT, or 2 percent higher than MY 1998/99 cotton production. This increase was attributed to an increase in the average yield following favorable weather conditions during the growing season. The average yield of cotton in MY 1999/2000 is estimated at 7.2 Kentar (157 kg seed cotton) per feddan (0.42 HA) compared to 5.7 Kentar per feddan in MY 1998/99.

B- Export and Procurement Prices:

With the current government's policy aiming at increasing cotton exports, the Alexandria Cotton Exporters Association has lowered export prices for the 1999/2000 marketing season in order to make Egyptian cotton more competitive in the international market. For instance, the export price for extra long staple cotton Varsity Giza 45 was reduced by 32 percent and prices of other long staple varieties were reduced by about 10 percent.

Egyptian cotton procurement prices paid to farmers are currently linked to export prices (i.e. based on the indicative export prices announced by the Alexandria Cotton Exporters Association minus the fobbing cost). Accordingly, farmers's procurement prices for 1999/2000 season were also reduced by similar percentage for their respective varieties. The following table shows both export and procurement prices for MY 1998/99 and MY 1999/2000:

Varieties		Export Prices (Cent/LB)		Farmer's Prices (L.E./Kentar) 1/	
		1998/99	1999/2000	1998/99	1999/2000
Giza 45 (ELS)	532	217		781	532
Giza 70	114	100		365	344
Giza 88 (LS)	109		98	372	336
Giza 86	97	92		331	314
Giza 85	89	86		301	391
Giza 80	269	85		286	269

1/ \$ U.S = L.E 3.41