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Counting Beans - The USSEC's Fourth Regional Aquaculture Production Conference – MENA Region

Report Categories:

Agricultural Situation, Agriculture in the Economy, Agriculture in the News, Climate Change/Global Warming/Food Security, Export Accomplishments - Marketing, Trade Events and Shows, Export Promotion Programs, Market Promotion/Competition, Oilseeds and Products
SP1 - Expand International Marketing Opportunities, SP3 - Build Demand in Developing Countries through Trade Capacity Building

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Report Highlights:

The U.S. Soybean Export Council, (USSEC) under the auspices of the Egyptian Ministry of Agriculture and Land Reclamation and the USDA Foreign Agricultural Service, organized the Fourth Regional Aquaculture Production Conference – MENA Region (July 6-9, 2018). The conference brought together aqua-feed and emerging fish farming technology experts along with Middle East North Africa (MENA) region policymakers, fish feed manufacturers, and aquaculture producers. FAS Cairo assesses that Egypt will remain a major importer of soybeans over the next five years. In calendar year (CY) 2018 (January-May) \$555 million of U.S. soybeans were shipped to Egypt; exports are up 202 percent. In CY 2018 (January-June), sources indicate that soybean imports will surpass 1.75 million metric tons

(MMT); of which 1.44 MMT are of U.S.-origin.

General Information:

The U.S. Soybean Export Council (USSEC), under the auspices of the Egyptian Ministry of Agriculture and Land Reclamation (MALR) and the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS), organized the Fourth Regional Aquaculture Production Conference – MENA Region (July 6-9, 2018). The conference brought together international aqua-feed and emerging fish farming technology experts along with Middle East North Africa (MENA) region policymakers, fish feed manufacturers, and aquaculture producers.

Experts and key stakeholders shared knowledge on the use of aquaculture within the MENA region. Egypt, Saudi Arabia, Tunisia, and Morocco are seeking to develop more efficient and sustainable aquaculture sectors of their own. These countries are targeting greater domestic and foreign investment in commercial aquaculture.

Introductory welcoming remarks, highlighting the development of Egyptian aquaculture, and its importance, were provided by Dr. Mona Mehrez Aly, Egypt's Vice Minister of Agriculture for Livestock, Fisheries, and Poultry Resources and by Mariano J. Beillard, FAS Cairo's Senior Regional Agricultural Attaché.



(Left-to-Right): Jim Carroll, Director United Soybean Board, Lindsay Greiner, Iowa Soybean Association, Mariano J. Beillard, FAS Cairo Senior Regional Agricultural Attaché, Dr. Mona Mehrez, Vice Minister of Agriculture for Livestock, Fisheries, and Poultry Resources, Bill Raben, Director American Soybean Association, Brent Babb, USSEC Regional Director Europe and MENA, and Mousa Wakileh, USSEC Regional Consultant – MENA. (July 6, 2018).

Vice Minister Mehrez indicated that the Government of Egypt is keen on providing an appropriate and positive environment for the fish feed and aquaculture sectors. These sectors are being prioritized by the government.

FAS Cairo stressed that the United States has a long relationship with Egyptian agriculture; for nearly half a century it has provided support and technical assistance to this dynamic and important sector of the national economy.

Expert presentations focused on three key themes:

- 1- Advances made in fish feed production and feed formulations for aquaculture.
- 2- The role of technology and intensification systems for more efficient fish production.
- 3- Fish processing and value addition with special emphasis on tilapia.



(Left-to-Right): USSEC Fourth Regional Aquaculture Production Conference – MENA attendees (July 6-9, 2018).

Key Developments and the Future

Significant developments have occurred in Egypt's aquaculture sector over the past four decades. Aquaculture in Egypt has exhibited the strongest growth of any fishery. Egypt's aquaculture industry is now the sixth largest in the world. It is the third largest producer (following China and Indonesia) of tilapia according to the [FAO's 2018 State of the World Fisheries and Aquaculture report](#). Egypt ranks sixth in the world in terms of fish fin (i.e., inland aquaculture) production; accounting for 80 percent of total tilapia production in Africa in 2016. Egypt's total fish production reached 1.87 million metric tons

(MMT) in calendar year (CY) 2016, up from 1.65 million metric tons in 2015. That 13.3 percent increase is driven by fish production from aquaculture. Aquaculture represents 80 percent of Egypt's total fishery production.

The intensification of aquaculture, along with integrating it with agricultural production, will help raise productivity to 2.3 million metric tons by 2020. To reach this goal, Egypt is aiming to provide fish farmers with the tools, technology, and training necessary to succeed economically.

Public and private sector participants recognize that constraints face the sector. Key constraints include the availability of fresh water, seasonality of production and demand, as well as shortcomings in processing facilities, cold chain, and storage facilities that are critical for adding value to production.

Despite these hurdles conference participants remain optimistic about aquaculture's future. They see aquaculture as driving employment creation, as well as improving the country's food security and protein intake. Greater use of sustainable intensification production systems, combined with the use of extruded feed and improved product marketing, will enhance product value and availability.

Reducing Post-Harvest Losses and Waste

Reducing fish post-harvest losses and waste across the value chain will enhance quantity and quality of product. Fish processing projects offer great potential for value addition, job creation and increasing exports.

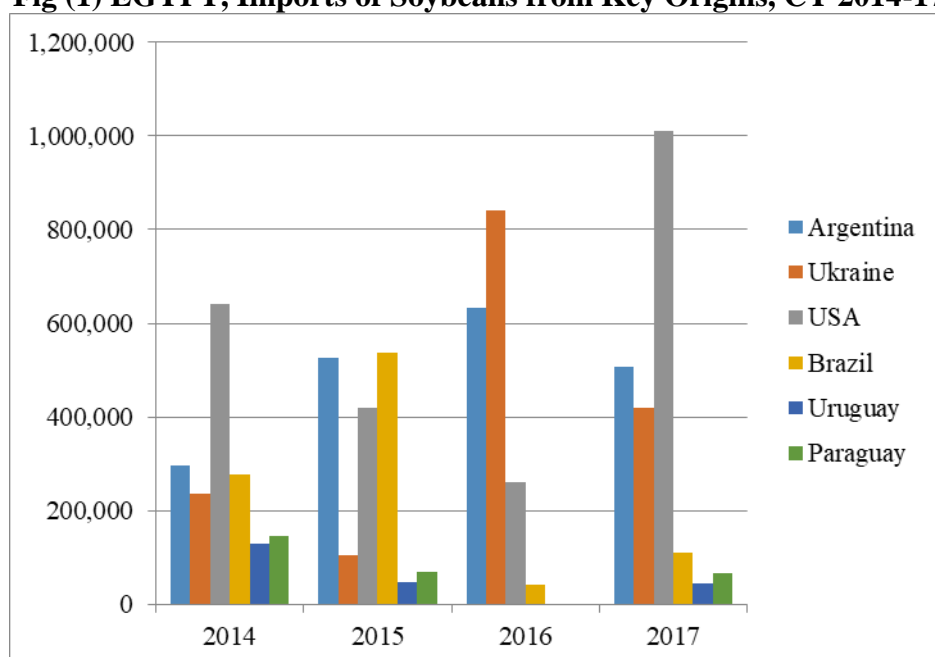
Outreach programs and educational events have to be developed for the aquaculture sector to promote best aquaculture practices, good management practices, and high quality feed use.

Conference Takeaways

FAS Cairo (post) assesses that Egypt will continue to be a major importer of soybeans over the next five years. During calendar year 2018 (January-June), industry sources indicate that Egypt's soybean imports will surpass 1.75 million metric tons; of which 1.44 MMT are of U.S.-origin. According to sources in the poultry, aquaculture, and dairy sectors, soybean meals being produced locally from U.S.-origin soybeans show better uniformity, less fiber, soluble sugars, and are much more nutritive than those produced with soybeans from other origins

Strong advantages of U.S. soybeans reside in their higher lysine content and other amino acids. Also higher mineral content (i.e., calcium, phosphorus, and potassium content) is a plus. U.S.-origin soybeans have very low heat damage compared to those from other origins. In 2017, the United States exported to Egypt \$796 million in food and agricultural products. So far in CY 2018 (January-May), the United States has already exported some \$895.5 million worth of food and agricultural products to Egypt; including around \$555 million worth of soybeans. U.S. soybeans exports to Egypt today are up 202 percent compared to the same period last year.

Fig (1) EGYPT, Imports of Soybeans from Key Origins, CY 2014-17



Source: FAS Cairo office research.

Post finds that aquaculture along with the poultry sector will be key drivers for expanded Egyptian import demand for U.S.-origin soybeans. The Egyptian crushing business is increasing capacities to crush more beans for meal and oil production. Post finds that there is increased crush for a growing a feed industry.

The big crushing plants like those of Cargill and the Alex Seed Company account for about 80 percent of the total national crush capacity. These are expanding crush due to growth in market demand. Fifteen other middle-size operations make up the remainder. Today we are seeing that the increase in consumption is due to the expansion of major private-sector crushers Cargill and the Alex Seed Company, which are doubling their crushing capacity. This expansion is adding some 6,000 metric tons (MT) per day of production to the existing facilities.

In marketing year 2018/19 (October-September) domestic crush capacity is expected to reach 8,484 MT per day. Egypt's domestic consumption of soybeans for food use will remain at 17,000 MT in marketing year 2018/19 (see, [GAIN EGYPT No. EG18009 – Egypt Oilseeds and Products Annual 2018](#)). The food processing industry uses soybeans and soy-based ingredients to enhance the nutritional quality of bread, as well as two popular legume foods (i.e., lentil soup and falafel).

In a nutshell, U.S. soybean farmers should know that the Egyptian market is a growing market of 100 million people (growing at 2.5 percent). It will have an additional 25.6 million people by 2030. Demand for U.S.-origin soy is strong and growing as a major raw material for feed in poultry, aquaculture, and dairy. The soybean checkoff investment is paying off in Egypt.



(Left-to-Right): USSEC Fourth Regional Aquaculture Production Conference – MENA (July 6-9, 2018).



Awarding of Certificates of Completion to conference attendee Mohamed Al-Sahli of Global Marine Center, Saudi Arabia (July 9, 2018).