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Egypt's Import Supply of European-Origin Seed Potatoes Challenged

Report Categories:

Potatoes and Potato Products

Trade Policy Monitoring

Agricultural Situation

Agriculture in the Economy

Climate Change/Global Warming/Food Security

SP1 - Expand International Marketing Opportunities

SP3 - Build Demand in Developing Countries through Trade Capacity Building

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Report Highlights:

Egypt media reports highlight that record high temperatures during the 2018 summer hit Europe's potato production particularly hard. European suppliers are Egypt's sole source of seed potatoes; Egypt is largely dependent on seed potato imports for its domestic potato production. Egypt has yet to approve market access for U.S. seed potato. Egypt's yearly imports of seed potatoes average \$85 million (CY 2015-17).

General Information:

Egyptian media reports highlight that record high temperatures during the 2018 summer hit Europe's potato production particularly hard. The persistent heatwave lingering over large parts of the continent turn normally green landscape brown. European Union (EU) potato producers such as the United Kingdom-Scotland (UK-Scotland), Ireland, Belgium, the Netherlands, France, Germany, Hungary, and Poland were particularly hard hit. Scientists and researchers expect that more extreme weather patterns induced by climate change will become more common. That will adversely affect food production and potentially food security. Figure 1 shows the severity of the weather condition affecting the soil moisture through Northern Europe.

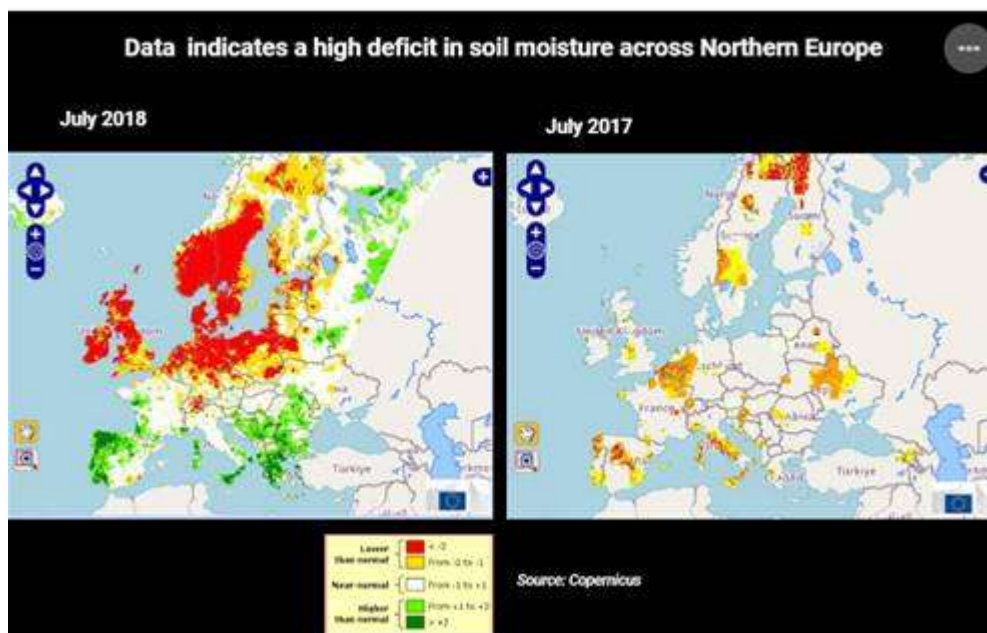


Fig 1

European farmers braced for one of the worst harvests in a generation, with yields of some vegetable crops reportedly down 50 percent. Potato production decreased roughly 25 percent, with seed potato production dropping even more. Egypt imports European seed potatoes for planting. Sixty percent of these originate in EU-member states: the Netherlands, the UK-Scotland, and France. Producers in these countries were reportedly worst affected by this year's heatwave.

Egypt is largely dependent on seed potato imports for its domestic potato production. Imports in calendar year (CY) 2018 (January-October) reach roughly 120,000 metric tons (MT). Imports originate mainly from the European Union: the Netherlands (40,500 MT or 33.6 percent), UK-Scotland (40,400 MT or 33.5 percent), and France (18,900 MT or 16 percent).

From seed potatoes imports, Egypt produces about 5 million MT of ware potatoes. Egypt is Africa's largest potato producer, and ranks 14th in the world in terms of ware potato production. It also produces about 700,000 – 800,000 MT of local seed potatoes from imports which go into crop

production the following season (see [GAIN-EGYPT \(EG18026\) – Egypt 2018-19 Seed Potato Import Requirements](#)).

European suppliers are Egypt's sole source of seed potatoes. Imports commence in September and run through November; Egyptian importers reportedly are struggling to source required import volumes. Egyptian authorities are also rejecting some imports due to the presence of regulated pests.

Egypt has yet to approve the United States as an export origin. Based on industry estimates, U.S. seed potato exports to Egypt could reach \$15 million annually once market access issues are resolved. U.S.-origin varieties competing with those of EU suppliers would be price competitive. Egypt's yearly imports of seed potatoes average \$85 million (CY 2015-17).

Egypt, Serious Seed Potato Supply Challenge and its Costs: Egypt's seed potato cultivated area in CY 2018 is 158,000 hectares, down nearly 14 percent compared to 2017's area of 183,000 hectares. More concerning is that producers are now indicating that yields are dropping from 14-15 MT/hectare to 11 MT/hectare over the past three growing seasons. The lower yields are attributable to the declining quality of imported seed potatoes. Producers are concerned that the price of seed potatoes has increased by an average of Egyptian Pounds (EGP) 20,000/MT (~\$1,120) compared to last year. Imports reportedly at 77,000 MT, are down 27 percent compared to last year.

Egypt imports mainly seed potato varieties of *diamond*, *sponta*, *mondyal*, *anibal*, and *rosseta*. Local media sources are now reporting a significant increase in prices. The price of the *sponta* variety has increased 114 percent, reaching EGP 47,000/MT (\$2,623/MT) compared to EGP 22,000 (\$1,230/MT) last year. The *anibal* variety's price increased 88 percent, now reaching EGP 32,000 (\$1,786/MT) compared to EGP 17,000 (\$949/MT) last year.

Egyptian per capita consumption of potatoes is 43 kilograms per annum. Egyptian consumers on average in CY 2018 are paying EGP 14/kilogram for ware potatoes; compared to EGP 7/ Kg last year. Egyptian farmers attribute the declining yields to lower quality seeds among other factors such as unfavorable climatic conditions. Consumers now have to pay an extra EGP 300 per year due to this constrain.

With scientists warning that this year's record-breaking European heat wave likely becoming the rule rather than the exception as climate change disrupts weather patterns, there is a need for new heat tolerant seed potato varieties. Adaptation to the situation requires importers of seed potatoes, such as Egypt, to consider drought resistance varieties (e.g., *all red*, *elba*, *katahdin*, and *all blue*) to mitigate the effect of climatic change. Egypt should consider expanding eligible seed supplying countries in order to diversify access markets. Diversifying supplier countries would afford Egyptian growers the opportunity to source quality and affordable inputs from international markets.

