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## **Egypt**

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# **Egypt Planting Seeds Sector Overview – A Growing Opportunity for U.S. Seeds**

### **Report Categories:**

Agricultural Situation, Agriculture in the Economy, Agriculture in the News, Climate Change/Global Warming/Food Security, National Plan, Planting Seeds, SP1 - Expand International Marketing Opportunities

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### **Report Highlights:**

Egypt's agricultural sector is a dynamic, fundamental component of the economy. Agriculture accounts for 11.7 percent of the gross domestic product (GDP) (2017 estimate). Since the inception of the modern seed industry in Egypt (1922), seeds are an important input for raising agricultural productivity. The Ministry of Agriculture and Land Reclamation (MALR) supports, and is strengthening the seed industry infrastructure. The private sector is largely responsible for the development of field and vegetable crop seeds (i.e., corn and sugar beets). From January 2016 to November 2018, Egypt imported roughly 1,350 metric tons (MT) (excluding seed potato) of vegetable seeds. U.S.-origin vegetable seed varieties represent 23-25 percent of Egypt's total seeds imports. There is strong demand for U.S.-origin seeds.

## **General Information:**

Egypt's agricultural sector is a dynamic, fundamental component of the economy. Agriculture accounts for 11.7 percent of the gross domestic product (GDP) (2017 estimate). The agricultural sector employs roughly 7.8 million people, accounting for nearly 26 percent of the national labor force. An estimated 40 percent of the population is involved in agricultural activities. Egypt's domestic food needs are 60 percent met by local resources while food and agricultural products imports account for 40 percent. Egypt with a population of 99.4 million (est. July 2018) is adding over 2 million people per year.

Agricultural production is highly concentrated along the Nile river and in the Nile delta. Land usage is structured and intensely cultivated, relying almost entirely on surface irrigation. Practically all agriculture land goes to crop production. The main agricultural products are wheat, cotton, rice, sugar cane, sugar beets, corn, fruits, and vegetables.

Although arable land per person is small (0.04 ha), this is offset by multiple cropping, with two to three growing seasons each year. Intensive production doubles the total agricultural area of 3.6 million hectares to about 6.3 million hectares. Smallholder farming dominates; 80 percent of the farms are under one hectare in size.

Since the inception of the modern seed industry in Egypt (1922), seeds have been an important input for raising agricultural productivity. The Ministry of Agriculture and Land Reclamation (MALR) supports, and is strengthening the seed industry infrastructure. During the 1990s, the Ministry stimulated private sector participation by liberalizing the national seed sector. It separated certification from production, allowing national research institutes to focus on breeding research. Seed associations actively engage the government.

The private sector counts with strong representation, regularly engaging the state regulatory authorities. The private sector is largely responsible for the development of field and vegetable crop seeds (i.e., corn and sugar beets).

From January 2016 to November 2018, Egypt imported roughly 1,350 metric tons (MT) (excluding seed potato) of vegetable seeds. U.S.-origin vegetable seed varieties represent 23-25 percent of Egypt's total seeds imports. There is strong demand for U.S.-origin seeds.

## SEED POLICIES AND REGULATIONS

Seed sector oversight falls under the purview of the [Ministry of Agriculture and Land Reclamation \(MALR\)](#)/ [Agriculture Research Center \(ARC\)](#)/Central Administration for Seed Testing and Certification (CASC) and the Central Administration for Seed Production (CASP).

**Ministry of Agriculture and Land Reclamation (MALR):** The Ministry of Agriculture is the main authority responsible for setting food policies, plant breeding research, and extension. Three organizations within the ministry play a role in the regulation, certification and production of seeds:

- 1) **Agricultural Research Center (ARC):** Consists of 17 research institutes and support organizations. It has the primary responsibility for crop improvement research, cultivar development, and testing for cereals, fiber materials, oils, legumes, fodder, and sugar. The Agricultural Research Center's institutes have developed the majority of the field crops varieties currently planted in Egypt especially wheat, rice, sugar cane, cotton, and corn.
- 2) **Central Administration for Seed Testing and Certification (CASC):** It is the lead agency responsible for seed quality control, seed legislation, and policy enforcement. The Central Administration for Seed Testing and Certification reviews all relevant legislation, updates and prepares rules required to control all seed activities, and works to integrate and harmonize seed legislation. The Central Administration for Seed Testing and Certification is the designated seed certification authority and performs lab and field-testing for certified seed.
- 3) **Central Administration for Seed Production (CASP):** It implements the government's seed production policies, advises the ARC on foundation and registered seed requirements, and supervises certified seed production and multiplication.
- 4) **Agricultural Seeds Committee (ASC):** Authorizes national export/import permits (Seed Law No. 43/1996). There are currently about 100 registered seed companies in Egypt. Major seed exports include Egyptian clover (*Berseem - Trifolium alexandrinum L.*), leafy crops and hybrid vegetables seeds.

## FIELD CROPS SEED VARIETIES

**Production:** As of calendar year 2017, there are 426 field crop registered seed varieties with the Central Administration for Seed Testing and Certification.

The varieties registered by the private sector account for 61.2 percent all registrations. The Agricultural Research Center accounts for the bulk of the public sector registrations (Table 1). The majority (94 percent) of the private sector registrations are for corn and sugar beets. Private seed companies' registrations represent 70 percent of the total corn market compared to 30 percent for public sector. The private sector similarly dominates the sugar beet seed market; controlling 78 percent market share.

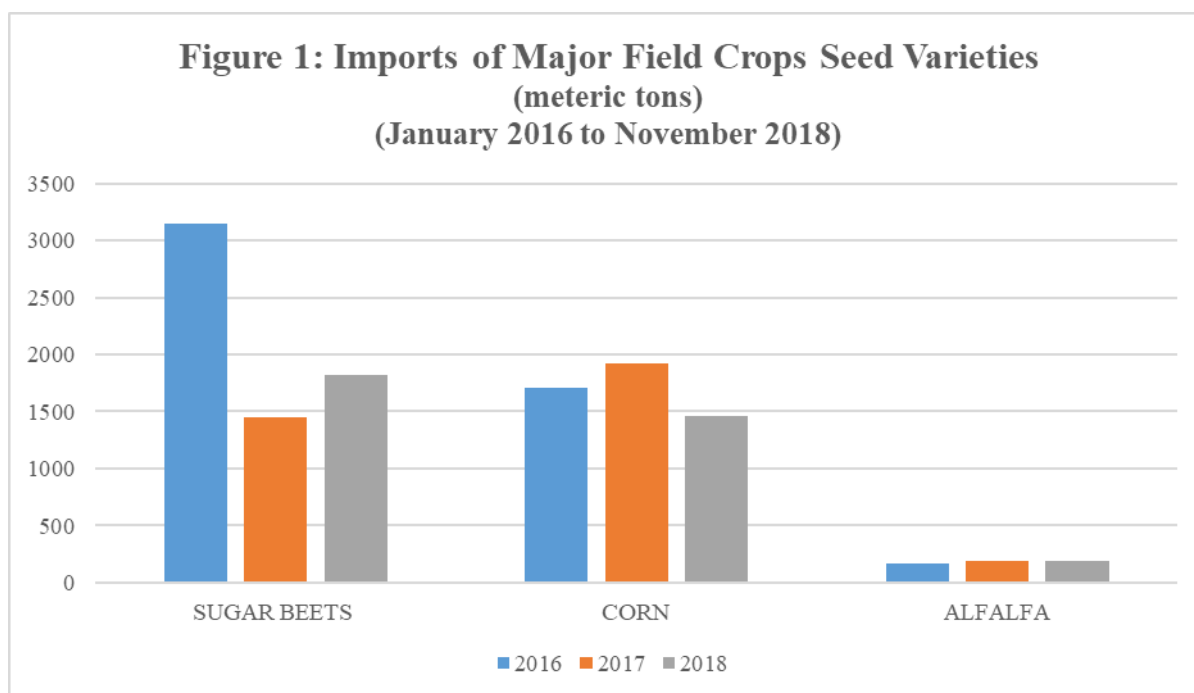
Other major field crops include wheat, rice, cotton, sugarcane, broad beans (i.e., fava), and flax. Egypt's ARC dominates registrations; it produces 98 percent of these varieties and distributes certified seeds to farmers.

**TABLE 1: EGYPT - Field Crops, Registered Seed Varieties (CY 2017)**

	<b>Varieties</b>	<b>Private</b>	<b>Government</b>	<b>Total</b>
1	Broad Bean (i.e., fava)	0	14	14
2	Rice	0	5	5
3	Maize	86	38	124
4	Sorghum	10	2	12
5	Wheat	2	21	23
6	Sugar Beet	140	38	178
7	Cotton	0	5	5
8	Flax	0	8	8
9	Safflower	0	2	2
10	Barley	2	6	8
11	Peanut	1	0	1
12	Soybean	0	6	6
13	Sunflower	2	0	2
14	Onion	0	2	2
15	Chickpea	0	1	1
16	Alfalfa	16	3	19
17	Clover	0	6	6
18	Canola	0	0	0
19	Sugar Cane	0	2	2
20	Lentil	0	6	6
21	Quinoa	2	0	2
	<b>Total</b>	261	165	426

Source: Central Administration for Seed Testing and Certification (CASC), FAS Cairo office research.

**Imports:** Sugar beets, corn, and alfalfa are the three major field crops seed varieties imported between January 2016 and November 2018 (Figure 1). Sources comment that U.S.-origin field crops seed varieties represent 13-15 percent of Egypt's total seed imports, with corn seed ranking first.



Source: Central Administration for Plant Quarantine (CAPQ), FAS Cairo office research.

## VEGETABLE CROPS SEEDS

**Production:** Unlike the case with field crops seed varieties, 97 percent of Egypt’s registered vegetable seeds are private sector produced or imported (Table 2). The Agriculture Research Center counts with minimal vegetable seed market share, three percent or less.

Egypt’s vegetable seed market has evolved over the past two decades. It has gone from being a public sector dominated, conventional seed market to now a private sector dominated hybrid seed market. FAS Cairo (Post) estimates the value of this market at \$70-\$80 million, with tomato, cucumber, squash, watermelon, melon, pepper, and green bean seed varieties being the main vegetable crops.

With Egypt now adding over 2 million new consumers per annum, fresh vegetable consumption is on the rise. At the same time, Egypt is expanding its food processing industry’s capabilities and increasing the number of modern retail outlets (see [GAIN EGYPT \(EG18007\): Food Processing Ingredients Annual 2018](#) and [GAIN EGYPT \(EG18014\): Egypt Retail Sector Report Annual 2018](#)). Post estimates vegetable seeds growing three to five percent annually in value and volume terms.

**TABLE 2: EGYPT - Vegetable Crops, Registered Seed Varieties (CY 2017)**

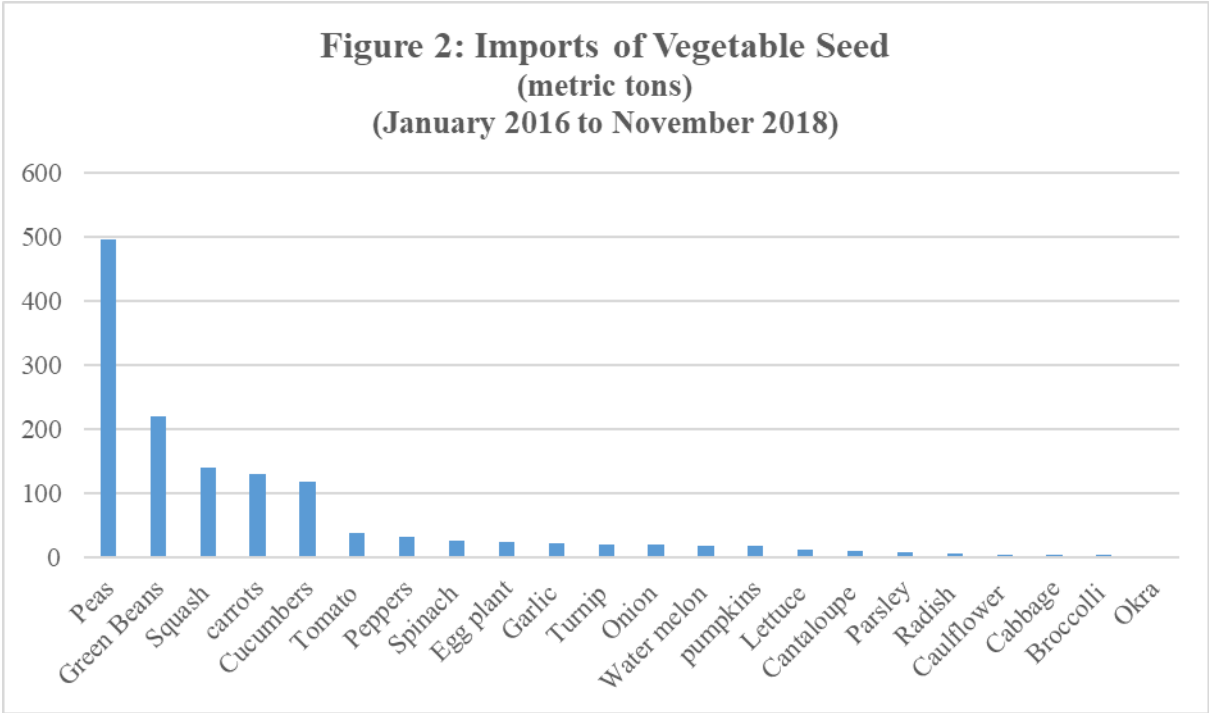
	Varieties	Private	Government	Total
1	Beans	15	1	16
2	Melon	59	0	59
3	Cantaloupe	16	1	17
4	Pepper	121	0	121
5	Cucumber	115	3	118
6	Carrot	13	0	13
7	Squash	72	2	74
8	Tomatoes	181	0	181
9	Eggplant	55	2	57
10	Potatoes	120	5	125
11	Watermelon	38	3	41
12	Cabbage	12	0	12
13	Lettuce	8	0	8
14	Sweet Potato	1	0	1
15	Grafting Assets	12	0	12
16	Peas	6	3	9
17	Radish	0	0	0
18	Cauliflower	7	0	7
19	Cowpea	0	3	3
20	Okra	1	0	1
21	Broccoli	1	0	1
22	Garlic	0	1	1
23	Table Beet	0	1	1
24	Sweet Corn	3	0	3
25	Onions	2	0	2
26	Strawberries	1	0	1
27	Turnip	1	0	1
	<b>Total</b>	860	25	885

Source: Central Administration for Seed Testing and Certification (CASC), FAS Cairo office research.

**Imports:** From January 2016 to November 2018, Egypt imported roughly 1,350 metric tons (MT) (excluding seed potato) of vegetable seeds (see [GAIN EGYPT \(EG18032\): Egypt's Import Supply of European-Origin Seed Potatoes Challenged](#) for seed potatoes). Peas, green beans, squash, carrot, cucumber, and tomato seed varieties are the main imports (Figure 2).

Egypt imports seeds for planting mainly from the United States and the Netherlands, followed by imports from the United Kingdom, France, Denmark, Spain, and Japan. Sources comment that U.S.-origin vegetable seed varieties represent 23-25 percent of Egypt's total seeds imports by volume. A key reason for U.S.-origin seeds competitiveness resides in Egyptian recognition of American modern breeding technologies resulting in higher yielding, lower water-consuming hybrids. Given Egypt's limited water resources, farmers increasingly are turning to early maturing and heat tolerant improved

hybrid varieties. These seeds contribute effectively to enhancing farmers’ incomes and export agriculture.



Source: Central Administration for Plant Quarantine (CAPQ), FAS Cairo office research.

**EGYPT’S SUSTAINABLE AGRICULTURAL STRATEGY 2030**

Egypt’s [Sustainable Agricultural Development Strategy Towards 2030](#) aims to release the agricultural sector from all restrictions and biases. It seeks to stimulate private sector participation, while increasing yields, farm income and improving agricultural trade.

To achieve this will goal, there is a foreseen need for high quality, improved seed varieties that can deliver higher yields. Similarly, there is a need for these to address biotic and abiotic pressures in a sustained and resilient manner. Post foresees that the private sector will continue to play a vital role in the production, import, and distribution of field and vegetable crop seeds; assisting Egypt’s MALR meet the demands of farmers and consumers.