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Report Name: Fresh Deciduous Fruit Annual

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Post: Cairo

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Report Highlights:

In 2022, industries report a 35 to 40 percent increase in cultivation costs to reach almost \$28,000 per hectare. The increase in costs is due to the challenges of US dollar liquidity and high inflation. In MY 2022/2021, production is expected to reach 1.48 MMT and exports are forecasted at 180,000 MT. In 2022, Egypt added Sri-Lanka and Cameron to the list of importing countries.

Egypt's Table Grapes Production, Supply and Demand

Grapes, Fresh Table Market Year Begins Egypt	2020/2021		2021/2022		2022/2023	
	Jun 2021		Jun 2022		Jun 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted ^(HA)	50400	50400	51000	51000	0	51000
Area Harvested ^(HA)	48720	48720	49500	49500	0	51000
Commercial Production ^(MT)	1420000	1170280	1435000	1435000	0	1480000
Non-Comm. Production ^(MT)	0	0	0	0	0	0
Production ^(MT)	1420000	1170280	1435000	1435000	0	1480000
Imports ^(MT)	120000	12000	8000	8000	0	6500
Total Supply ^(MT)	1540000	1182280	1443000	1443000	0	1486500
Fresh Dom. Consumption ^(MT)	1370000	1027280	1273000	1273000	0	1300000
Exports ^(MT)	170000	155000	170000	170000	0	180000
Withdrawal From Market ^(MT)	0	0	0	0	0	0
Total Distribution ^(MT)	1540000	1182280	1443000	1443000	0	1486500
(HA) ,(MT)						

Note: "New Post" data reflects FAS Cairo's assessments and are NOT official USDA data.

Production:

Post forecasts commercial table grape production in Egypt in MY 2021/2022 (October-September), to reach 1.48 MMT up three percent or 45,000 MT over the previous year. This year, weather conditions are expected to be favorable, and shall contribute to the steady production.

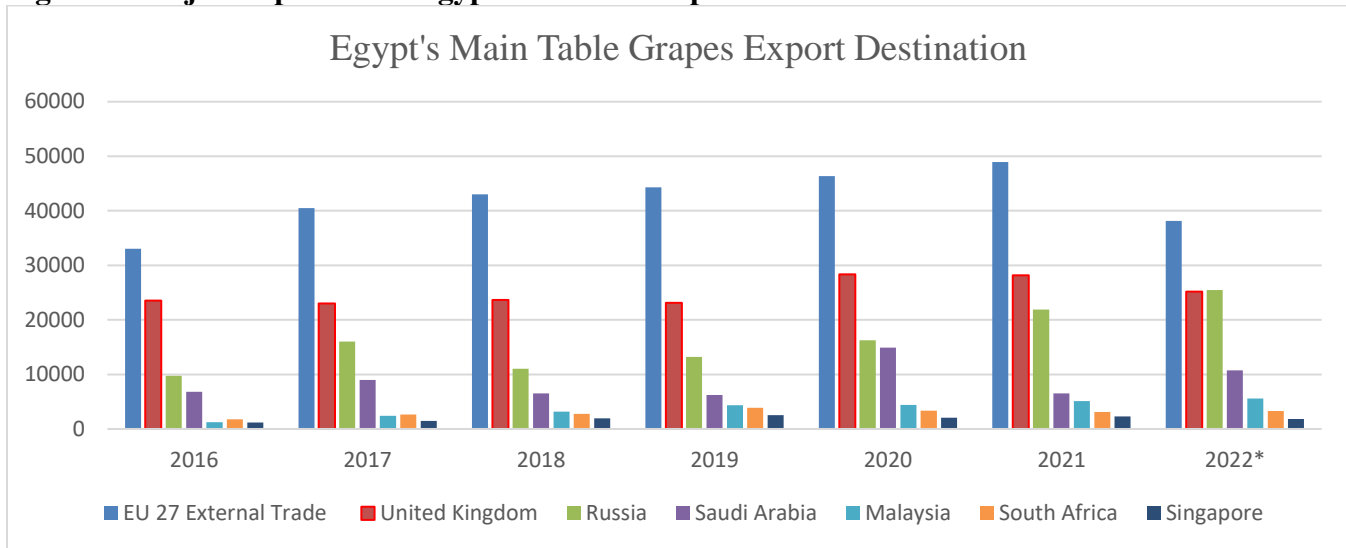
Grapevines are among the most suitable fruit crops for sandy soils and newly reclaimed land, as well as for the older Egyptian land traditionally farmed next to the Nile River. For this reason, cultivated areas of table grapes exist across the country. There is no non-commercial production of grapes in Egypt, so table grape production estimates in Egypt represent only commercial use.

Table grapes are second only to citrus in terms of production quantities in Egypt. Grape cultivation is spread geographically from Alexandria in the north to Aswan in the south, which combined with the production of early and late ripening grapes, enables the prolonged availability of fresh table grapes in the market from May to November. However, two areas in particular – Behira and El-Sadat – represent the overwhelming majority of grape exports to the European Union, Egypt's largest table grape market. Behira represents about 40 percent of the total planted area of grapes in Egypt and 18 percent of total production. Climate conditions, types of soil, and production technology are the main factors that give table grapes the ability to be grown all over Egypt.

Planting season begins the first week of February. Planting is done via cuttings, where they are planted in black polyethylene bags, filled with a mixture of peat moss and sand, and stored in greenhouses before the seedlings are transferred into the open field. The vines start bearing fruit in their third year.

Harvesting season in Egypt for early grape varieties begins in late May and ends in September. Harvesting for late varieties begins in late June and ends by November. The Thompson and Flame seedless varieties dominate production as it remains popular in the EU market, the major importer of Egyptian grapes (see Figure 1). However, producers are expanding towards higher value varieties to supply other markets and meet the evolving palate of consumer tastes worldwide. The most popular of these other varieties include Early Superior, Superior, and Roomy.

Figure 1: Major Importers of Egyptian Table Grapes



Source: Egyptian Agriculture Export Council (AEC), Trade Data Monitor, LLC

*2022 figures are from January - August

Producers state that grapes are one of the most expensive crops to cultivate compared to other crops. In 2022, industries report a 35 to 40 percent increase in cultivation costs to reach almost \$28,000 due to the challenges of US dollar liquidity and high inflation. In 2020, one hectare of grapes would initially cost approximately \$15,000, not including land costs. In 2021, prices increased by 30 percent due to the COVID-19 pandemic-related supply chain disruptions that limited the availability of certain inputs.

In Egypt, investments in producing high value grape varieties usually offer good returns, especially for the producers who are targeting export markets. However, due to the Egyptian pound devaluation (FOREX EGP 20.27 to USD (\$1.00)) the high input costs decreased the revenues greatly. Post forecasts that the cultivated area remain unchanged due to the high tendency of grape cultivation. Lands increased in cultivation were met by reduction in cultivated areas due to increased costs and reduced revenues.

Consumption:

Post forecasts domestic consumption of fresh grapes in MY 2022/2023 at 1.3 MMT, a two percent increase from the previous year’s consumption level of 1.27 MMT. The local grape market is an important market for producers because grape imports are not very high and losses are quite considerable, which impacts the total availability. Large-scale, export-oriented producers and small-scale grape farmers who produce mainly for the local market experience wide disparities in the access to and the use of production resources, finance, and technology. Moreover, inadequate research and development, lack of cold chain and marketing infrastructures, and insufficient coordination among value chain stakeholders pose risks to grape quality and productivity, thus limiting exports only to producers who can make large investments.

Trade:

Post forecasts exports to reach 180,000 MT in MY 2022/2023, 5.8 percent higher than the previous year. The EU countries and the United Kingdom were the top export destination in CY 2022, accounting for

58 percent of total exports. Other important markets are Russia and Saudi Arabia, with 23 and 10 percent of the export market share, respectively.

Egypt imports very few quantities of table grapes. In MY 2022/2023, imports are expected to decrease by 18 percent to 6500 MT, a decrease of 1500 MT compared to MY 2021/2022. Post attributes the reduction in exports to the current economic conditions of Egypt regarding the challenges of US dollar liquidity, high inflation rates, and instability of importation procedures.

Egypt mainly imports table grapes from South Africa, Spain, Australia, Italy, and few quantities from the United States and the imports usually cover the window where there is no domestic production. The imported table grapes are typically sold at very high prices at specialty retail stores.

Policy:

Egyptian table grapes have access to numerous markets, including the United States, the European Union, Canada, Russia, China, India, Myanmar, Nepal, Brazil, Serbia and the Gulf countries. In 2022, Egypt succeeded to gain access to markets in both Sri-Lanka and Cameron.

In addition, technical discussions are underway for market access to the Philippines, Vietnam, Ecuador, Thailand, New Zealand, and Argentina.

The Ministry of Agriculture (MoA) has taken steps to strengthen its export system. In 2021, MoA adopted the application of the coding system according to Decision 116/2021. The decision sets procedures to coordinate logistics with farms – uploading farm locations via the Global Positioning System (GPS) and registering all farms and pack houses that are deemed to export.

Throughout the season, the Egyptian Central Administration for Plant Quarantine (CAPQ) monitors the production, takes samples, and ensures that export requirements are verified, (including pesticides residues). CAPQ along with the Agriculture Export Council (AEC) work together to comply with the phytosanitary regulations of trading partners, enabling Egyptian grapes to access a wide range of international markets. The AEC and CAPQ also worked together to develop a list of registered lands and pack houses where these producers and facilities are only eligible to export after complying with an array of requirements. This system enhances the quality of the production targeted for exports and strengthens the compliance with phytosanitary requirements of the importing countries.

Attachments:

No Attachments