

Required Report: Required - Public Distribution

Date: March 15,2020

Report Number: EG2020-0005

Report Name: Grain and Feed Annual

Egyptian Wheat Imports Hold Steady Despite Increased Local Production

Country: Egypt

Post: Cairo

Report Category: Grain and Feed

Prepared By: Ahmed Wally, Agricultural Specialist and Olutayo O. Akingbe, Agricultural Attaché

Approved By: Ali Abdi, Minister-Counselor for Agricultural Affairs

Report Highlights:

FAS Cairo (Post) forecasts Egypt's wheat production in marketing year (MY) 2020/21 (July-June) to reach 8.9 million metric tons (MMT), up by approximately 1.5 percent compared to 8.77 MMT in marketing year 2019/20. Post is forecasting Egypt's wheat imports in MY 2020/21 at 12.85 MMT, up 0.4 percent from the MY 2019/20 import figure of 12.8 million metric tons. Post forecasts Egypt's corn imports in MY 2020/21 at 10.0 MMT, up one percent from the MY 2019/20 estimate of 9.9 million metric tons. FAS Cairo forecasts Egypt's rice imports in MY 2020/21 at 200,000 metric tons.

Executive Summary:

FAS Cairo (Post) forecasts Egypt's wheat production in marketing year (MY) 2020/21 (July-June) to reach 8.9 million metric tons (MMT), up by approximately 1.5 percent compared to 8.77 MMT in marketing year 2019/20. Post attributes the rise to an increase in total area-harvested; total area-harvested is set to come in at some 1.39 million hectares. Post forecasts both wheat production and the area-harvested figures remain unchanged from the U.S. Department of Agriculture's (USDA) official MY 2019/20 estimates.

FAS Cairo forecasts Egypt's wheat imports in MY 2020/21 at 12.85 MMT, up 0.4 percent from the MY 2019/20 import figure of 12.8 million metric tons. The latter is revised upward from the USDA official estimate. The General Authority for Supply Commodities (GASC) is Egypt's largest wheat buyer. In marketing year 2019/20 (July-June), GASC issued 23 tenders through February 11, 2020, importing 5.97 MMT of milling wheat. This represents a 3.55 percent increase from the GASC's purchases during the same period in marketing year 2018/19. As of February 11, 2020, the largest foreign suppliers to GASC in MY 2019/20 included Russia (3.1 MMT), Romania (1.1 MMT), Ukraine (1.0 MMT), and France (720,000 metric tons).

FAS Cairo forecasts Egypt's corn imports in MY 2020/21 at 10.0 MMT, up one percent from Post's MY 2019/20 estimate of 9.9 million metric tons. Egypt's yellow corn production covers less than 20 percent of its feed demand needs. Imports are supplementing the feed manufacturing industry's expanded production.

Post is observing a strong uptick in U.S.-origin Dried Distillers Grains with Soluble (DDGS) and Corn Gluten Meal (CGM) exports to Egypt in calendar year 2019. The United States accounted for 100 percent of Egypt's DDGS imports and 99.4 percent of Egypt's corn gluten meal imports in CY 2019. Egyptian traders and consumers of U.S.-origin corn are however registering concerns with product quality, namely excessive broken kernels. Calendar Year 2019 witnessed no U.S. corn exports to the Egyptian market. These concerns are also being reported in other markets.

FAS Cairo forecasts Egypt's milled rice production in MY 2020/21 (Oct-Sept) at 4.3 MMT, similar to Post's estimate for MY 2019/20 (Oct-Sept), which remains unchanged from the USDA official estimate.

WHEAT:

PRODUCTION:

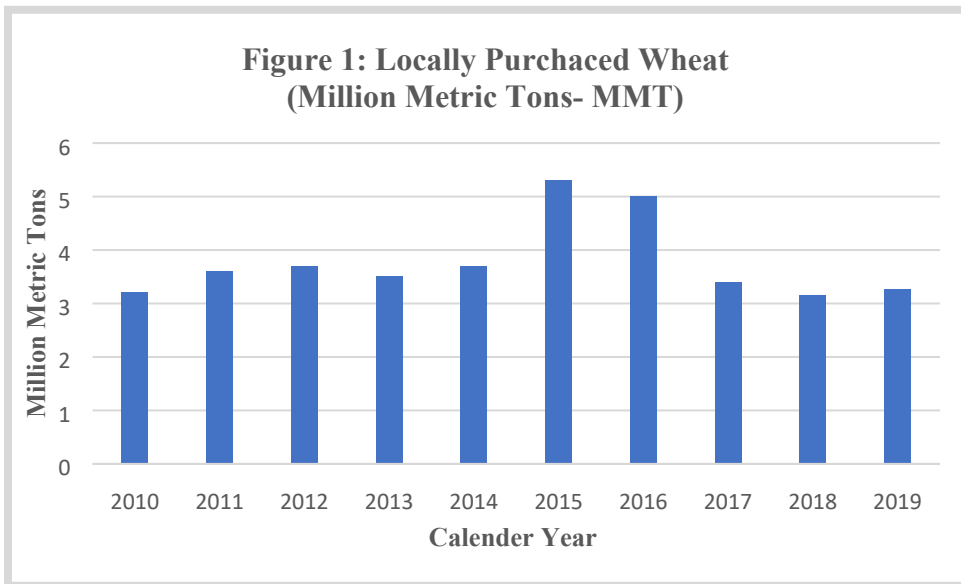
FAS Cairo (Post) forecasts Egypt's wheat production in marketing year (MY) 2020/2021 (July-June) to reach 8.9 million metric tons (MMT), up by almost 1.5 percent compared to 8.77 MMT in marketing year 2019/20. Post attributes the rise to an increase in total area harvested; total area harvested is set to come in at 1.39 million hectares compared to 1.37 million hectares the previous year. MY 2019/2020 wheat production and the area-harvested figures remains unchanged from U.S. Department of Agriculture's (USDA) official estimates.

Domestic Wheat Procurement: FAS Cairo foresees Egypt in MY 2020/21 procuring some 3.5 to 3.7 MMT of locally produced wheat. The amount of locally produced wheat purchased by the Government of Egypt was 3.27MMT in CY 2019 (Figure:1).

The Ministry of Supply and Internal Trade (MoSIT) usually announces the procurement price that it will pay to purchase locally produced wheat one month before the procurement season starts (April 15-July 15). MoSIT sets the price it pays farmers for domestic wheat on prevailing international market prices. This price is derived from a moving average of prices paid by MoSIT’s General Authority for Supply Commodities (GASC) for imported wheat during the previous two months.

The General Authority for Supply Commodities’ governmental wheat purveyors are:

- 1- The Holding Company for Food Industries.
- 2- The Egyptian Holding Company for Silos and Storage.
- 3- The General Company for Silos and Storage.
- 4- The Egyptian Agriculture Bank.



SOURCE: FAS Cairo office research.

The Agricultural Research Center (ARC) of the Ministry of Agriculture and Land Reclamation (MALR) is focusing on vertical expansion efforts (i.e., increasing yields by unit area). These vertical expansion efforts include:

- Increase raised bed cultivation of wheat to reach 420,000 hectares in marketing year 2020/21. Advantages of raised-bed wheat plantings include a 30 percent increase in grain yield, 75 percent increase in water-use efficiency, 25 percent saving in irrigation water and requires 15 percent less seeds.
- Expanding the amount of certified seed distributed to farmers.

- Development of a national wheat campaign to showcase good agricultural practices across 6,700 extension fields scattered nationwide.
- Breeding efforts by the ARC's Field Crops Research Institute (FCRI) resulted in the release of five new high yielding varieties that will be used for plantings next season.

CONSUMPTION:

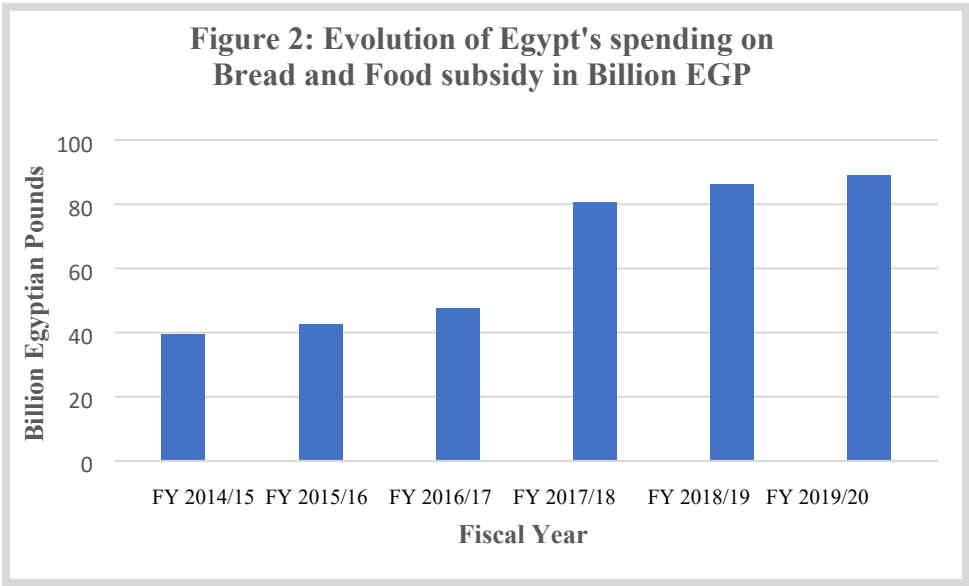
FAS Cairo forecasts Egypt's wheat consumption in MY 2020/21 at 20.6 MMT, up by almost 1.0 percent from the MY 2019/20 estimate of 20.4 million metric tons. Post attributes the uptick to a 1.0 percent increase in food, seed and industrial use (FSI) consumption. The rise in FSI wheat consumption is attributable to population growth of about 2 percent in CY 2019. Egypt has a population of 100 million (CAPMAS, est. Feb 2020). Egypt is also host to an estimated of five million refugees from Iraq, Syria, Libya, Yemen, and Sudan.

The Bread Subsidy System Remains Unchanged: Egypt allocates 150 loaves of subsidized bread per month to recipients (i.e., five loaves of bread per day). *Baladi* (i.e., common, traditional) bread is sold at a subsidized price of EGP 0.05 per loaf (\$0.01 per loaf); this is less than one tenth of the actual cost. The government compensates bakeries for the difference in production cost. The current cost of subsidizing one loaf of *baladi* bread is ~EGP 0.60 (\$0.03).

The current subsidy system permits beneficiaries who consume less than the quota amount to convert their bread savings into points (1 point = EGP 0.01). Points are redeemable; beneficiaries can use points to choose from 22 other food items sold at discounted prices offering a more diversified food basket similar in quality to that found in retail outlets. Beneficiaries make their purchases at the roughly 27,000 MOSIT partnered private grocery stores, as well as from 1,250 state-owned consumer complexes.

In CY2019, beneficiaries of the subsidy system are also entitled to EGP 50 (\$3.20) on their SMART cards which they can use to purchase food items from MoSIT consumer complexes and outlets. This is compared to the EGP 15 beneficiaries received in CY2014.

In fiscal year (FY) 2019/20 (June-July), the government is allocating EGP 89 billion (\$5.69 billion) for bread and food subsidies (Figure 2). Of this amount, roughly EGP 52 billion (\$3.32 billion) is earmarked for the bread subsidy program, with EGP 5.4 billion (\$345 million) going to the bread point system. Another EGP 37 billion (\$2.36 billion) is allocated to the supply commodities (i.e., beef, chicken, rice, cooking oil, and sugar). (USD 1.00 =EGP 15.64)



SOURCE: FAS Cairo office research.

New Database for the Bread and Food Subsidy Recipients: From November 2018 to December 2019, the government of Egypt started to create a new and fully automated database of the bread and food subsidy recipients. According to the latest official figures, the fully automated system currently covers 71 million beneficiaries receiving bread subsidies, of which 64 million receive supply commodity subsidy in addition to the bread subsidy. Recipients of the bread and food subsidy are registered on 21 million SMART cards.

Better Targeting of Bread and Food Subsidies: MoSIT is working to raise the efficiency of the bread and food subsidy system management to prevent any type of leakage (waste of subsidy resources) in addition to increasing the effectiveness of the system so that it achieves the desired impact.

The first stage of targeting identified three segments of beneficiaries of the bread and food subsidy are: the neediest segment, the middle segment, and the upper segment. The upper segment of beneficiaries who are not eligible for support amounted to about 750,000 people and were removed from the updated database. The upper segment represents beneficiaries that have children enrolled in international schools, whose educational fees exceed EGP 30,000 (\$1,918), whose electricity consumption exceeds 1000 kilowatts per annum, and/or whose mobile phone bills exceed EGP 800 (\$51) per month. MoSIT is currently working on the upper middle segment which constitutes around 2.3 million beneficiaries to determine who deserves the subsidy based on a set of indicators such as car ownership, electricity usage, and school fees.

Pasta Use: In December 2019, MoSIT and 22 private sector companies (members of the Chamber of Cereal Industries) contracted for the supply of 10,000 MT of pasta monthly. Since January 2020, SMART card holders under the subsidy system can purchase 1.0 kilogram of packaged pasta at a price of EGP 6.9/kg compared to EGP 7.5/kg in 2019. Subsidized pasta is distributed at a price 20-25 percent lower than retail market prices depending on the brand.

Milling Capacity: The *Baladi* bread program uses both imported and locally grown wheat. In practice, the two types of wheat are blended together before milling. As a result, blending with imported wheat is important to achieve the right quality of flour. The wheat for the *Baladi* bread program is milled in both public and private mills.

Egypt currently has more than 410 public, public/private, and private sector mills with total investments of more than \$1.5 billion. Public mills and public/private mills produce 82 percent extraction flour, which is used for making the subsidized *Baladi* bread. They produce 70 percent of all the flour going to the *Baladi* bread subsidy program, while private mills produce the remaining 30 percent. The private sector mills that produce 82 percent extraction flour for the bread subsidy program are not allowed to produce the 72 percent extraction flour produced by other private sector mills, which is used in the production of pastries and other types of bread. There are some 20,000 private sector bakeries in Egypt that purchase 72 percent extraction flour.

Cakes, pastries and baked goods consumed in Egypt witnessed consumption growth in the second half of MY 2019/20 due to a reduction in prices of 72 percent extraction flour by 11 percent, compared to the second half of the MY 2018/19. Private bakeries and in-store bakeries at large retailers and hypermarkets also have made special offers, driving consumers to purchase such goods.

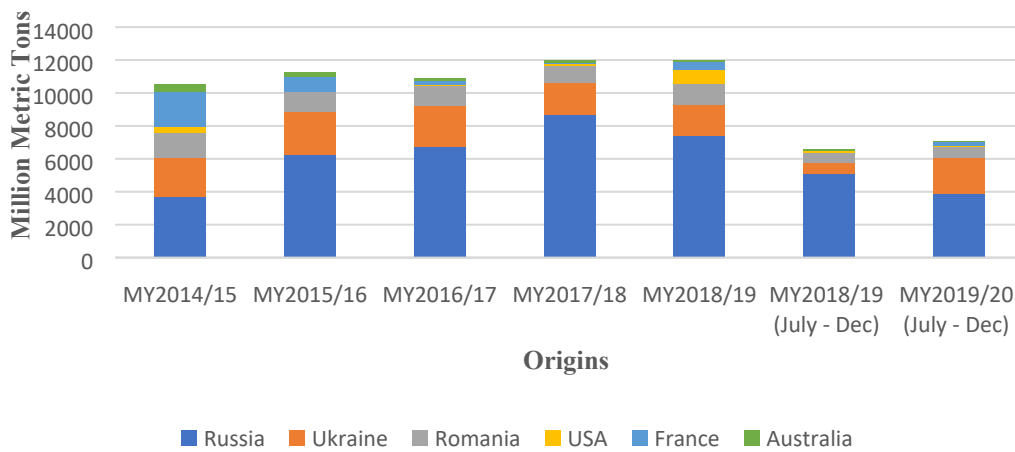
TRADE:

FAS Cairo forecasts Egypt's wheat imports in MY 2020/21 (July-June) at 12.85 MMT, up almost 0.4 percent from MY 2018/19 Post's import estimate figure of 12.8 MMT. The latter was raised upwards from the USDA official estimate of 12.5 MMT driven by higher consumption due to population growth. The largest foreign suppliers to the Egyptian Market in MY 2018/19 included Russia (7.36 MMT), Ukraine (1.93 MMT), followed by Romania (1.25 MMT), and the United States (847,000 MT).

During the first half of MY 2019/20 (July - December), the largest exporters were Russia (3.87 MMT), Ukraine (2.18 MMT), followed by Romania (660,000 MT), and France (252,000 MT). In the first half of MY 2018/19 (July - December), the largest foreign suppliers to Egypt were also Russia (5.11 MMT), Romania (630,000 MT), followed by Ukraine (627,000 MT), and the United States (121,000 MT).

From MY 2014/15 to MY 2018/19 the largest wheat suppliers to the Egyptian wheat market were Russia (32.6 MMT), Ukraine (11.4 MMT), Romania (6.1 MMT), France (3.7 MMT), the United States (1.5 MMT) and finally Australia with (1.1 MMT) (Figure 3).

**Figure 3: Major Origins Exporting Milling Wheat to Egypt
(MY 2014/15 to MY 2019/20)**

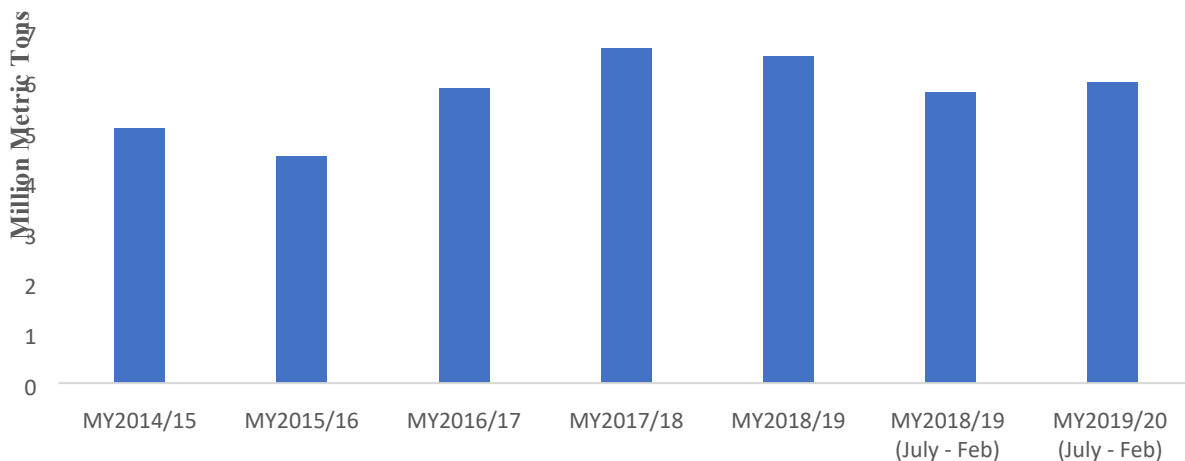


SOURCE: Trade Data Monitor

The General Authority for Supply Commodities (GASC):

GASC is Egypt’s largest wheat purchaser averaging 5.7 MMT (MY 2014/15 to MY 2018/19). In marketing year 2019/20, the GASC issued 23 tenders through February 11, 2020, importing 5.97 MMT of milling wheat. This represents a nearly 3.5 percent increase from GASC’s purchases during the same period in marketing year 2018/19 (Figure 4).

**Figure 4: GASC Imports of Milling Wheat
(MY 2014/15 to MY 2019/20)**

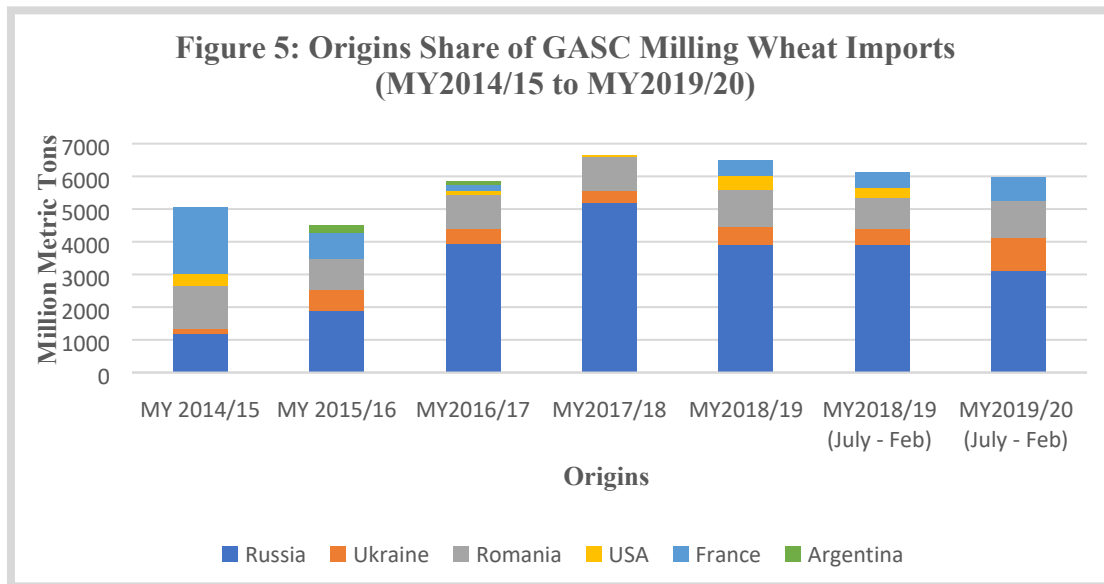


SOURCE: FAS Cairo office research.

GASC issued 26 import tenders for 6.49 MMT of wheat in MY 2018/19 (July-June) compared to 6.64 MMT the previous year. The largest foreign suppliers to GASC in MY 2018/19 included Russia (3.9

MMT) and Romania (1.1 MMT), followed by Ukraine (535,000 MT), France (480,000 MT) and the United States (420,000 MT).

From MY 2014/15 through MY 2018/19 (July-June), GASC’s largest foreign suppliers have been Russia (16.1 MMT) and Romania (5.46 MMT), followed by France (3.48 MMT), Ukraine (2.1 MMT) and the United States (940,000 MT). The largest foreign suppliers to GASC in MY 2019/20 through February 11, 2020 are Russia (3.1 MMT) and Romania (1.1 MMT), followed by Ukraine (1.0 MMT) and France (720,000 MT) (Figure 5).



SOURCE: FAS Cairo office research.

Egypt has extended its imported wheat moisture limit specifications of 13.5 percent until April 2021. The government will continue allowing shipments of wheat with moisture levels of up to 13.5 percent until April 2021 to continue promoting competition among different origins in GASC tenders.

Currently there are 15 approved origins by GASC to participate in its international tenders and they are: United States, Canada, France, Australia, Germany, Argentine, Russia, Ukraine, Romania, Poland, Bulgaria, Serbia, Hungary, Paraguay and Kazakhstan. The largest five origins supplying wheat to GASC via its international tenders during the last five marketing years (July -June) are Russia, Romania, Ukraine, France and the United States.

GASC is considering adding Indian wheat as an approved origin in its international tenders for imported wheat after Indian wheat suppliers requested their participation in the tenders. Before the Indian request, Danish wheat suppliers requested to join the approved origins list to export to GASC but the request was refused due to incompliance with Egyptian specifications.

As of January 2020, GASC is referencing in its tender documents the requirement of pre-shipment inspections at port of loading for wheat and corn. The promulgation of MALR Decree No. 562, allows the Central Administration of Plant Quarantine (CAPOQ) to conduct pre-shipment inspections at the

port-of-loading for GASC purchases. Pre-shipment inspections at the port of loading are not obligatory for private sector wheat shipments but many private sector importers prefer to use CAPQ inspections at the port of loading for ease of release upon arrival in Egyptian ports.

STOCKS:

FAS Cairo forecasts Egypt's ending stocks in MY 2020/21 at 4.52 MMT, an increase of 5.8 percent from Post's earlier MY 2019/20 estimate of 4.27 million metric tons which was revised upward from USDA official estimate of 3.97 MMT. The increase in MY 2019/20 ending stocks is due to anticipated higher import volumes. The General Authority for Supply Commodities keeps normally a four -to-five-month supply of stocks (including wheat) in the import pipeline, while an additional one-month supply of wheat transits to Egypt.

Wheat Market Begin Year Egypt	2018/2019		2019/2020		2020/2021	
	Jul 2018		Jul 2019		Jul 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1320	1320	1370	1370	0	1390
Beginning Stocks	4395	4395	4002	4002	0	4272
Production	8450	8450	8770	8770	0	8900
MY Imports	12347	12347	12500	12800	0	12850
TY Imports	12347	12347	12500	12800	0	12850
TY Imp. from U.S.	847	847	0	0	0	0
Total Supply	25192	25192	25272	25572	0	26022
MY Exports	1090	1090	900	900	0	900
TY Exports	1090	1090	900	900	0	900
Feed and Residual	1300	1300	1300	1300	0	1300
FSI Consumption	18800	18800	19100	19100	0	19300
Total Consumption	20100	20100	20400	20400	0	20600
Ending Stocks	4002	4002	3972	4272	0	4522
Total Distribution	25192	25192	25272	25572	0	26022
Yield	6.4015	6.4015	6.4015	6.4015	0	6.4029
(1000 HA) ,(1000 MT) ,(MT/HA)						

CORN

PRODUCTION:

FAS Cairo forecasts corn production in MY 2020/21(Oct – Sept) at 6.4 MMT, largely unchanged from MY 2019/20 (Oct – Sept). Planted area at 800,000 hectares similarly remains the same. Reportedly white corn area harvested accounts for 600,000 hectares, with yellow corn plantings making up the balance.

The government has outlined a national strategy to increase feed corn yield per hectare; it aims to reach 12MT/hectare by CY 2030. The strategy incorporates improved extension services, the use of early-maturing and higher-yielding hybrid varieties that increase water efficiency, the adoption of contract farming processes encouraging growers to make more timely decisions, and improved marketing channels.

During CY 2019, MALR's Agriculture Research Center (ARC) established 600 extension fields across Egypt, showcasing new maize hybrids produced by the ARC, as well as demonstrating good agricultural practices needed for obtaining higher yields while decreasing post-harvest losses.

CONSUMPTION:

FAS Cairo forecasts Egypt's corn consumption in MY 2020/21 (Oct – Sept) at 16.2 MMT, unchanged from the MY 2019/20 (Oct – Sept) estimate of 16.2 MMT. Post's consumption estimates for MY 2019/20 was revised downwards by almost 3 percent from USDA official estimates of 16.7 MMT. Post is attributing the decrease to a decrease in food, seed and industrial use (FSI) consumption from the USDA official estimate due to recent shifts in consumer preference from corn to sweet potato. Both corn-on-the-cob and sweet potato are used directly as food after being grilled or heated.

The decrease in consumption in MY 2019/20 is also attributed to slight decrease in feed and residual consumption by 1.42 percent from USDA official estimate of 14.2 MMT. Post attributes this decrease due to many small village poultry farms preferring not to operate during the winter season (December – February) due to higher energy and veterinary drug costs. This period is very critical for spread of poultry viral diseases and requires biosecurity management practices which many of these farms cannot afford to implement.

Poultry Industry:

In an attempt to modernize and upgrade small poultry projects, a protocol between MALR, the National Bank of Egypt and the General Association of Poultry Producers was signed for providing technical and financial services to small poultry farmers, increasing the efficiency of their poultry operations by shifting from an open system production to a closed system implementing best management practices so as to increase production, reduce costs and increase revenue.

Egypt's poultry industry employs 2.5 million workers, with investment reaching EGP 65 billion (\$4.15 billion). In CY 2019, the poultry industry produced 1.3 billion chickens (i.e., broilers), and 13 billion table eggs. Large commercial breeders account for about 70 percent of the production. Some of these are large integrated projects in the desert areas away from the Nile Valley and the Delta and in isolated areas which can improve biosecurity.

Egypt's feed mills produce poultry feed-mix consisting of 70 percent yellow corn, 19.4 percent soybean meal, 3.4 percent wheat bran, and 1.9 percent broiler concentrates (fish or meat meals) in addition to minerals and vitamins. Aquaculture's major dietary energy sources include 20-25 percent yellow corn, 20-30 percent wheat bran, 10-25 percent rice bran, and 1-5 percent vegetable oils. This feed mix formulation depends on the protein and energy contents of the feed, as well as the availability and price of the ingredients, including fish species and their sizes.

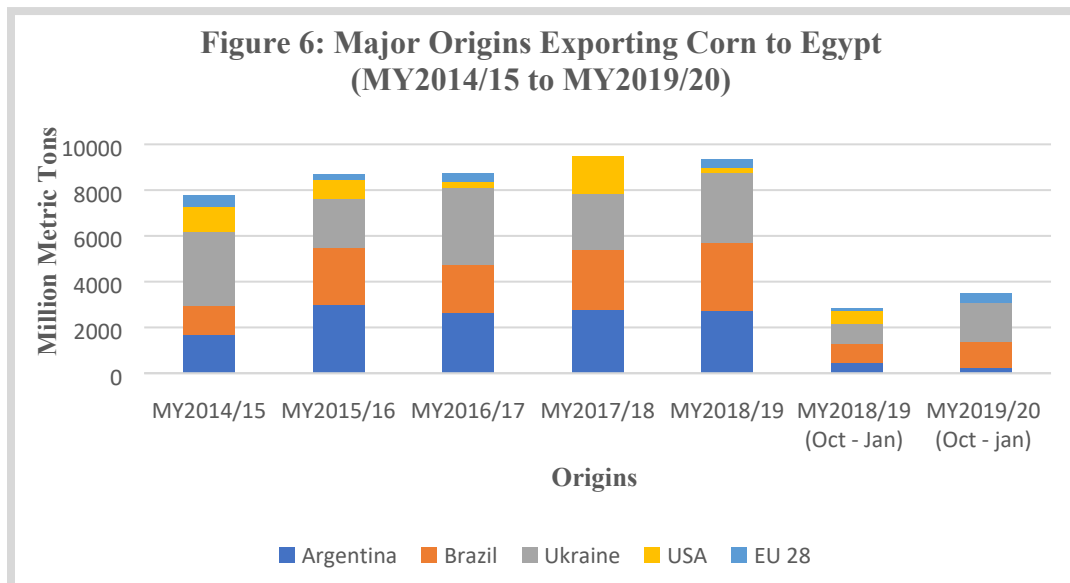
Starch Industry:

Egypt consumes 1 MMT for corn wet milling processes. There are five major corn wet milling companies operating in Egypt and their goal is to expand capacity in the coming 2-3 years. Cairo 3A company has the largest share of the wet milling market in Egypt (more than 60 percent). It is worth noting that Cairo 3A is also the leading importer of corn over the past five years.

TRADE:

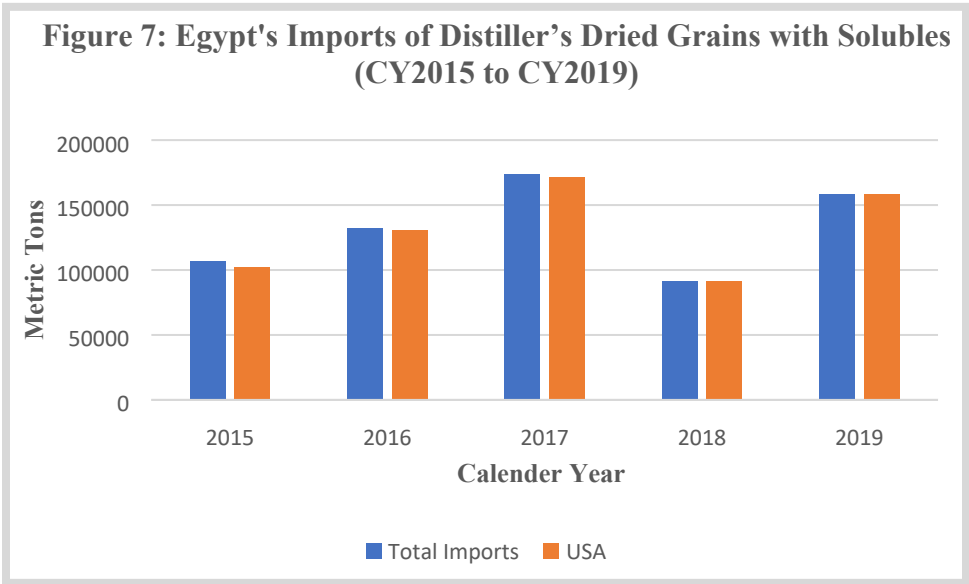
FAS Cairo forecasts Egypt’s corn imports in MY 2020/21 (Oct – Sept) at 10 MMT, up one percent from Post’s MY 2019/20 estimate of 9.9 million metric tons. Post estimates for corn imports in MY 2019/20 remains unchanged from USDA official estimates. Egypt’s yellow corn production covers less than 20 percent of its feed demand needs. Imports are supplementing the feed manufacturing industry’s current production.

Egypt’s top five suppliers of corn since MY 2014/15 (Oct – Sept) up to MY 2018/19 were Ukraine (14.8 MMT), Argentina (12.8 MMT), Brazil (11.4 MMT), the United States (4 .0 MMT) and EU-28 (1.4 MMT) (Figure 6). Yellow corn shipments in MY 2019/20 (Oct -Jan) totaled 3.5 MMT compared to 2.8 MMT during the same period in MY 2018/19. Egypt’s top two suppliers in MY 2019/20 (Oct -Jan) were Ukraine (1.7 MMT), and Brazil (1.1 MMT).



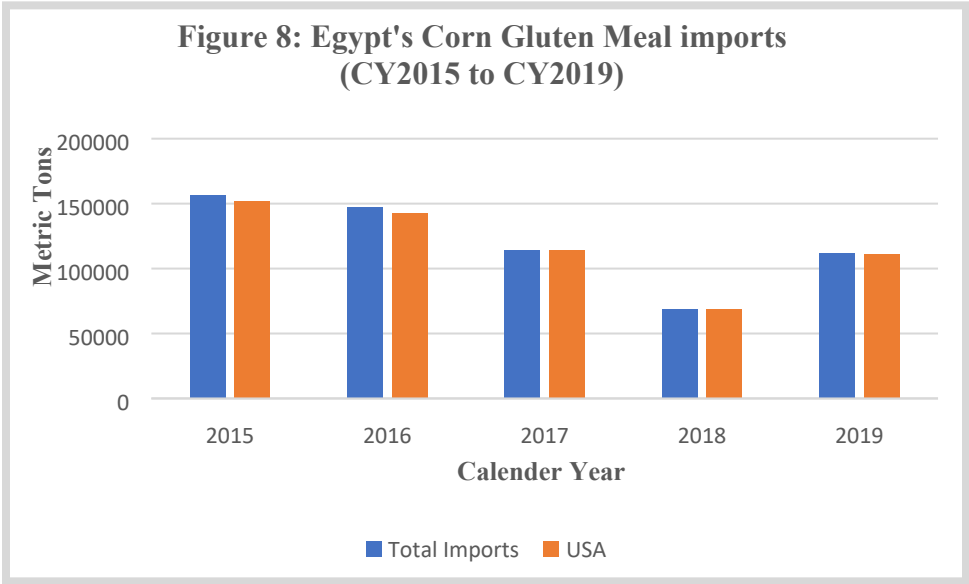
SOURCE Trade Data Monitor

Dried Distillers Grains with Soluble (DDGS) Imports: Egypt’s DDGS imports in CY 2019 (Jan – Dec) amounted to 158,534 MT compared to 91,425 in CY 2018. The United States accounted for 100 percent of Egypt’s DDGS imports (Figure 7). As of March 2020, DDGS prices are currently at EGP 4,600/MT (\$294/MT) compared to EGP 5,400/MT. (\$345.20/MT) during March of 2019. (1 USD= 15.64)



SOURCE: FAS Cairo office research.

Corn Gluten Meal (CGM): Egypt's imports of corn gluten meal in CY 2019 (Jan –Dec) reached 111, 738 MT compared to 69,022 MT in CY 2018 (Figure 8). The United States accounts for 99.4 percent of Egypt's corn gluten meal imports in CY 2019 and 99.7 percent of corn gluten meal imports in CY 2018. As of March 2020, Prices for corn gluten meal are EGP 10,500/MT (\$671.30/MT) down from EGP 12,400 (\$792.80/MT) during the same period in CY 2019. (1 USD= 15.64)



SOURCE: FAS Cairo office research.

STOCKS:

FAS Cairo forecasts Egypt's corn stocks in MY 2020/21 at 2.09 million metric tons up by 10 percent from Post's estimate in MY 2019/20. We attribute the increase in stocks due to increased imports. Post is revising upward ending stocks in MY 2019/20 by 500,000 MT due to anticipated slowdown in consumption.

Corn Market Begin Year Egypt	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	850	850	800	800	0	800
Beginning Stocks	1846	1846	1810	1810	0	1900
Production	6800	6800	6400	6400	0	6400
MY Imports	9367	9367	9900	9900	0	10000
TY Imports	9367	9367	9900	9900	0	10000
TY Imp. from U.S.	232	232	0	0	0	0
Total Supply	18013	18013	18110	18110	0	18300
MY Exports	3	3	10	10	0	10
TY Exports	3	3	10	10	0	10
Feed and Residual	13700	13700	14200	14000	0	14000
FSI Consumption	2500	2500	2500	2200	0	2200
Total Consumption	16200	16200	16700	16200	0	16200
Ending Stocks	1810	1810	1400	1900	0	2090
Total Distribution	18013	18013	18110	18110	0	18300
Yield	8	8	8	8	0	8
(1000 HA) ,(1000 MT) ,(MT/HA)						

RICE

PRODUCTION:

FAS Cairo forecasts Egypt's milled rice production in MY 2020/21 (Oct-Sept) at 4.3 MMT, similar to Post's milled rice production estimate of MY 2019/20 (Oct-Sept) which remains unchanged from the USDA official estimate.

On February 12, 2020, the Ministry of Water Resources and Irrigation (MWRI) announced the names of the nine Delta area provinces authorized to plant rice during the 2020 summer. The allotted rice cultivated area for CY 2020 is 1.076 million feddans (~451,920 hectares). Farmers planting rice outside the government's allotment area will face fines; announcement of these fines will occur prior to the beginning of the next planting campaign.

Rice area and production have varied considerably over the last ten years. Regardless of penalties, the MY 2019/20 crop area reached 760,000 hectares, above the MWRI set limit.

Farmers prefer to plant rice due to its easier cultivation as compared to other crops as well as its profitability. Rice cultivation also helps limit seawater intrusion into the northern Delta lands and prevents salinization of the soil.

Early maturing rice varieties developed by the ARC grow in three months; using 9,000-10,000 cubic meters of water per hectare compared with 14,000-15,000 cubic meters of water per hectare for other rice varieties.

CONSUMPTION:

FAS Cairo forecasts Egypt’s rice consumption and residual at 4.35 MMT in MY 2020/21, similar to the USDA official estimate in MY 2019/20.

The General Authority for Supply Commodities (GASC) has contracted to purchase 95,000 MT of local white rice in its first tender conducted on November 5, 2019. Millers will supply rice with a fraction of no more than 5 percent broken in four periods, starting from March 15 until June 15, 2020 priced at EGP 7,250/MT (\$ 463.50/MT).

As of November 12, 2019, Domestic and imported packaged rice sells for EGP 8/kg (\$0.51/kg) in public consumer complexes and at the MoSIT outlet stores compared to EGP 9/kg (\$0.57/kg) prior to that date. The subsidy program allows consumers and beneficiaries to select across 22 food items to diversify their food basket, as well as select alternative carbohydrate sources.

Depending on the rice brand and quality, current retail market prices range between EGP 9 (\$0.57) to 12 (\$0.76) per kg. Retail market prices have decreased by 40-50 percent compared to March 2019. Paddy rice is currently selling for EGP 4,400/MT (\$281.3/MT) compared to EGP 6,600/MT (\$422/MT) in March 2019.

TRADE:

FAS Cairo forecasts Egypt’s rice imports in MY 2020/21(Oct-Sept) at 200,000 MT similar to MY 2019/20 (Oct-Sept). Post estimate of 200,000 MT for MY 2019/20 rice imports remain unchanged from USDA official estimate.

Traders are expected to source medium, long-grain and basmati rice from India and Vietnam. Due to the new coronavirus epidemic that began in the city of Wuhan in the People’s Republic of China in late-December, traders will not source any type of rice from China this marketing year and the 2020/21 marketing year at least.

STOCKS:

FAS Cairo forecasts Egypt’s ending rice stocks in MY 2020/21 to reach 1.35 MMT, up from the previous marketing year’s estimate of 1.22 million metric tons. The pickup is due to carryover from MY 2019/20 as well as the anticipated local rice production.

Rice, Milled Market Begin Year Egypt	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Harvested	462	462	760	760	0	760
Beginning Stocks	1563	1563	999	1093	0	1223
Milled Production	2800	2800	4300	4300	0	4300
Rough Production	4058	4058	6232	6232	0	6232
Milling Rate (.9999)	6900	6900	6900	6900	0	6900
MY Imports	806	900	200	200	0	200
TY Imports	700	900	200	200	0	200
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	5169	5263	5499	5593	0	5723
MY Exports	20	20	100	20	0	20
TY Exports	20	20	100	20	0	20
Consumption and Residual	4150	4150	4350	4350	0	4350
Ending Stocks	999	1093	1049	1223	0	1353
Total Distribution	5169	5263	5499	5593	0	5723
Yield (Rough)	8.7835	8.7835	8.2	8.2	0	8.2
(1000 HA) ,(1000 MT) ,(MT/HA)						

Attachments:

No Attachments