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## **Report Name:** Grain and Feed Update

**Country:** Egypt

**Post:** Cairo

**Report Category:** Grain and Feed

**Prepared By:** FAS/Cairo Staff

**Approved By:** Jenny Morgan

### **Report Highlights:**

Egypt's wheat imports for marketing year (MY) 2024/25 (July – June) are estimated at 12.5 million metric tons (MMT), up by 11.4 percent from Post's earlier estimate, due to an increase in the availability of foreign currency to facilitate imports. Wheat production in MY 2024/25 is up by 200,000 MT from Post's earlier estimate. Wheat flour exports to other Middle Eastern and African countries continue to increase as a result of the regional crisis. Corn imports are estimated at 8.0 MMT in MY 2024/25, a slight increase from Post's earlier estimate, as corn area and production are more than offset by high input costs, lower market prices before planting, and insect pressure. Rice imports are estimated at 225,000 MT in MY 2024/25, unchanged from Post's previous estimate.

# WHEAT

## PRODUCTION

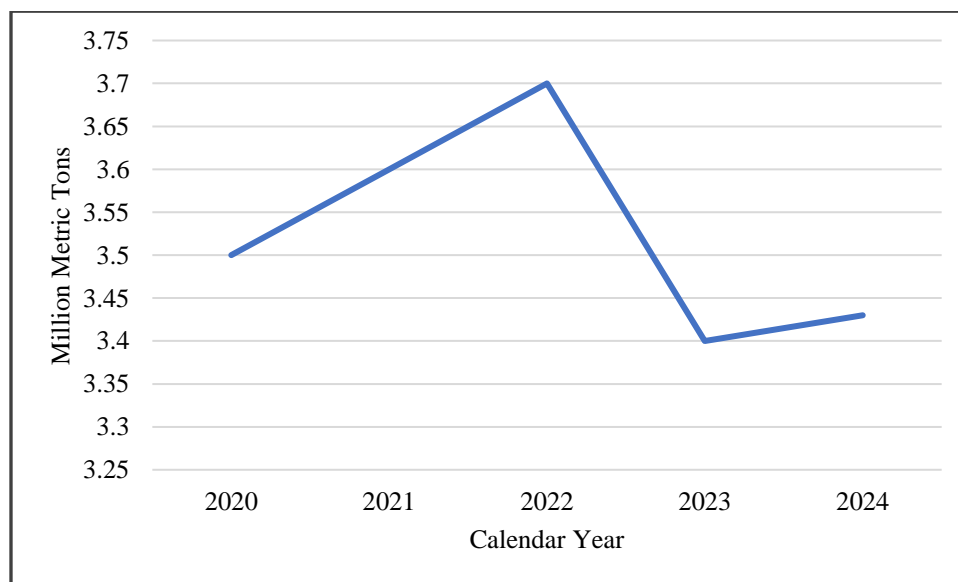
Wheat production in MY 2024/25 (July – June) is estimated at 9.2 million metric tons (MMT), slightly up from Post’s previous estimate in April 2024, due to an increase in area harvested of 1.4 million hectares (HA), compared to 1.35 million HA in MY 2023/24.

The increase in area harvested in MY 2023/24 is due to the Government of Egypt (GOE) promoting both horizontal and vertical expansion efforts (i.e., increasing area planted with wheat and increasing yields per unit area). As such, the Agriculture Research Center (ARC) is promoting more raised bed cultivation of wheat using early maturing and high-yielding varieties, as well as increasing the number of certified seeds distributed to farmers.

High government procurement prices have also encouraged farmers to plant more wheat. In Egypt, wheat is generally planted in November and harvested in April. During this time, farmers’ decision-making on wheat area planted depends largely on the procurement price.

**Domestic Wheat Procurement:** Wheat procurement season usually starts in mid-April and lasts until mid-August to allow for more time for farmers to submit their crop to government collection centers. The amount of locally produced wheat purchased by the GOE was 3.6 MMT in calendar year (CY) 2024, of which 3.43 MMT of milling wheat was procured, in addition to 120,000 MT for seeds and 50,000 MT of durum wheat (see Chart 1). The target by the GOE was set at buying 3.5 MMT from local farmers.

**Chart 1: Locally Purchased Milling Wheat in Million Metric Tons**



Source: FAS/Cairo Research

On November 1, 2023, the GOE set a preliminary guaranteed procurement price of 1,600 Egyptian pounds (EGP) (or \$219.75/MT)<sup>1</sup> per ardeb (1 ardeb=150 kilograms). A guaranteed price for the crop is the minimum purchasing price, which is subject to change per a price increase in the international market.

On March 14, 2024, the GOE increased the procurement price for locally produced wheat ranging from 1,900 EGP/ardeb to 2,000 EGP/ardeb (\$260.9/MT to \$274.7/MT) based on quality and moisture levels. The CY 2024 local wheat procurement prices per ardeb were 33.3 percent higher than the CY 2023 prices to encourage farmers to increase areas planted and sell more wheat to Egypt's General Authority for Supply Commodities (GASC).

The General Authority for Supply Commodities' government wheat purveyors for CY 2024 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

## CONSUMPTION

Wheat consumption in MY 2024/25 is estimated at 20.65 MMT, similar to Post's previous forecast. The rise in food, seed and industrial (FSI) wheat consumption year-on-year is attributable to population growth, of which Egypt is expected to reach a population of 124 million by 2035.

Moreover, consumption is forecast to increase as Egypt's economy is expected to rebound. Since the increase in foreign investment and the signing of the International Monetary Fund deal earlier this year, inflationary pressure in Egypt has slightly decreased, with headline inflation decreasing since April. In July, annual headline inflation stood at 25.2 percent, with food inflation dropping significantly to 28.6 percent in July from a peak of 73.6 percent in September 2023.<sup>2</sup> Although inflation is still high, the inflation rate is projected to decline in 2025, due to improved access to foreign currency.

According to CAPMAS, baked products and cereals have increased by 32.4 percent in July 2024, compared to the same month in CY 2023. This has been particularly evident in products such as cakes, biscuits, wafers, croissants and pastries, as well as European and white flat bread (which is non-subsidized). Baked products in Egypt are expected to see increased volume growth over the forecast period as these products are less expensive than other types of food products.

**Egyptian Bread Subsidy Program:** On June 1, 2024, the price for subsidized bread increased from 5 piasters (\$0.001) per loaf to 20 piasters (\$0.004) per loaf – marking the first increase in the price of subsidized bread in Egypt in 36 years. Prior to June 1, 2024, the government subsidized 96 percent of the cost of producing the bread and the beneficiary paid four percent. With the change, the program now charges participants 16 percent of the cost of the production,

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<sup>1</sup> For purposes of this report, exchange rates are based on September 4, 2024.

<sup>2</sup> <https://english.ahram.org.eg/News/527355.aspx>

with the GOE compensating bakeries for the rest. For more information on the change in the price for subsidized bread, please see [GAIN: Egypt Increases Price for Subsidized Bread for First Time in 36 Years](#).

Furthermore, the GOE has considered switching the subsidy program to a cash support system due to a higher exchange rate, inflationary pressures, and an increase in bread consumption. The proposal could encourage citizens to rationalize their consumption of bread and help reduce the wheat import bill. In fiscal year (FY) 2024/25 (July– June), Egypt allocated almost 134 billion EGP (2.7 billion USD) for food subsidies, with 98 billion EGP (2.98 billion USD) earmarked for the bread subsidy program.<sup>3</sup>

## **TRADE**

Estimated MY 2024/25 wheat imports are 12.5 MMT, up by 11.4 percent from Post’s previous estimate. The influx of foreign currency has contributed to a release of shipments held at ports and facilitated imports of essential commodities (including wheat) for both the public and private sectors. Marketing year 2023/24 wheat imports were also revised up by 13.6 percent from Post’s previous estimate of 11.0 MMT due to increased demand by the private industry and investment in silos to store more wheat. Moreover, the drop in international wheat prices has also contributed to both the private and public sectors seeking to maximize purchases on reduced prices. Lastly, Egypt’s increase in access to foreign currency has allowed it to increase its imports. On August 19, 2024, Egypt secured \$1.3 billion (of the original \$1.5 billion agreed upon in February 2024) via the International Islamic Trade Finance Corporation (ITFC) for the financing of energy and food commodities such as wheat, sugar, and vegetable oil. Nearly half of this financing was extended to Egypt’s GASC, as part of a five-year framework agreement to support food security. The other half of the funds will be used to support the Egyptian General Petroleum Corporation.

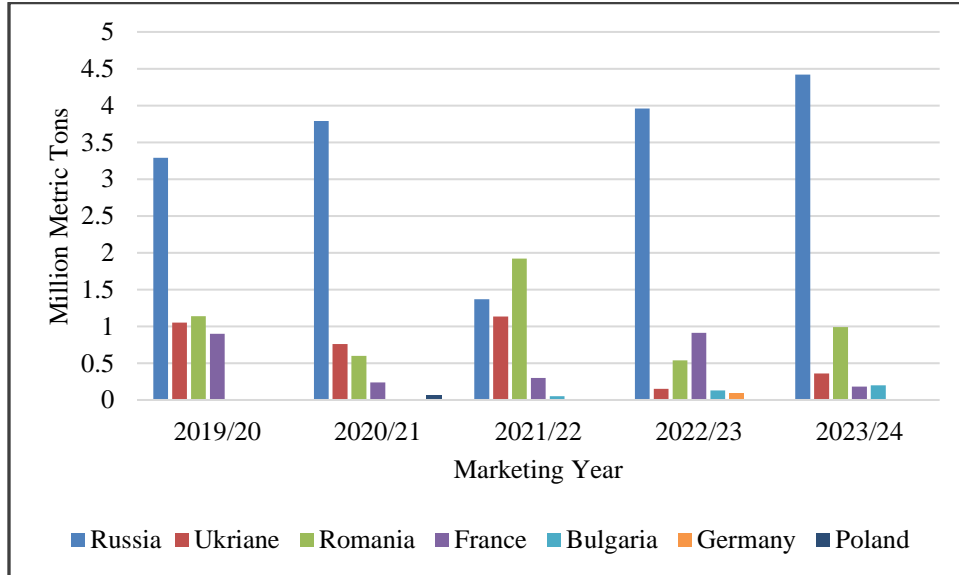
The largest suppliers of milling wheat to Egypt in MY 2023/24 were Russia (8.47 MMT), Ukraine (2.14 MMT), and Romania (1.23 MMT). GASC wheat imports accounted for 48.4 percent of total imports in MY 2023/2024, while the private sector accounted for 51.6 percent of total imports. In the past five years, the private industry has increased its market share of wheat imports, as it has increased its production of flour for re-export to other African and Middle Eastern countries, and increased its distribution to private bakeries and cafés producing higher-quality products.

In MY 2023/24, GASC tenders resulted in purchasing 6.06 MMT of milling wheat to support the bread subsidy program (see Chart 2). Of this amount, 4.4 MMT was purchased from Russia, 900,000 MT from Romania, 360,000 MT from Ukraine, 200,000 MT from Bulgaria, and 180,000 MT from France.

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<sup>3</sup> <https://www.alborsaanews.com/2024/06/13/1801029>

**Chart 2: GASC Wheat Imports**



Source: Ministry of Supply and Internal Trade

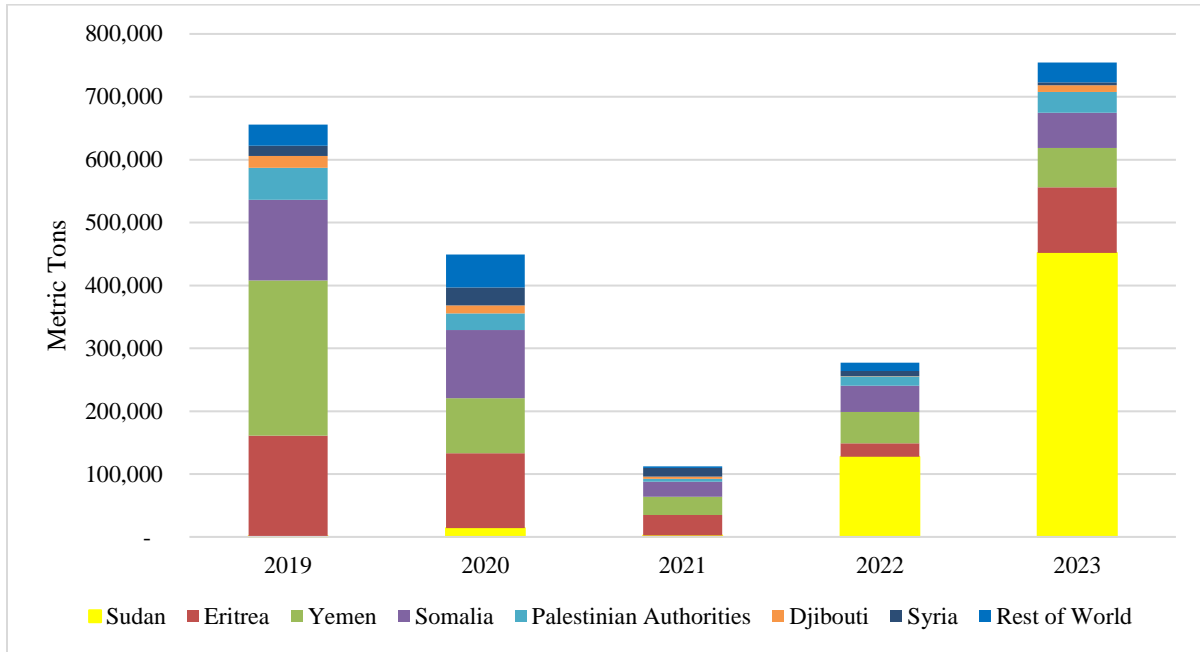
On August 7, 2024, GASC announced a tender to purchase 3.8 MMT of wheat with a targeted purchase for delivery from October to April 2025. While this tender was made during a time to take advantage of a dip in global wheat prices and buy up one-third of its yearly consumption in one go, it did not secure enough acceptable price offers for the longer-than-usual delivery period. In the end, Egypt ended up buying 280,000 MT of milling wheat, but is reportedly in discussions over purchasing up to 1.8 MMT of wheat from international suppliers.

Lastly, although GASC has 18 countries of origin from which it can purchase wheat, GASC is currently looking at Türkiye as a new origin for supplying wheat to Egypt through GASC’s tendering process, as Türkiye has a competitive advantage due to its proximity to Egypt and competitive prices for freight.

### **Wheat Flour Exports**

Egypt is a key supplier of wheat flour to many African and Middle Eastern countries and has significantly expanded its wheat flour exports to the region as it continues to increase its milling capacity. In the past five years, Egypt’s top destinations for wheat flour exports include Sudan, Eritrea, Yemen, Somalia, Djibouti, Syria, and the Palestinian Authorities (West Bank and Gaza) (see Chart 3). In addition to increased milling capacity, Egypt has been able to increase exports due to competitive prices and geographic proximity to the aforementioned countries.

**Chart 3: Egypt Exports of Wheat Flour to the World**



Source: Trade Data Monitor, Inc.

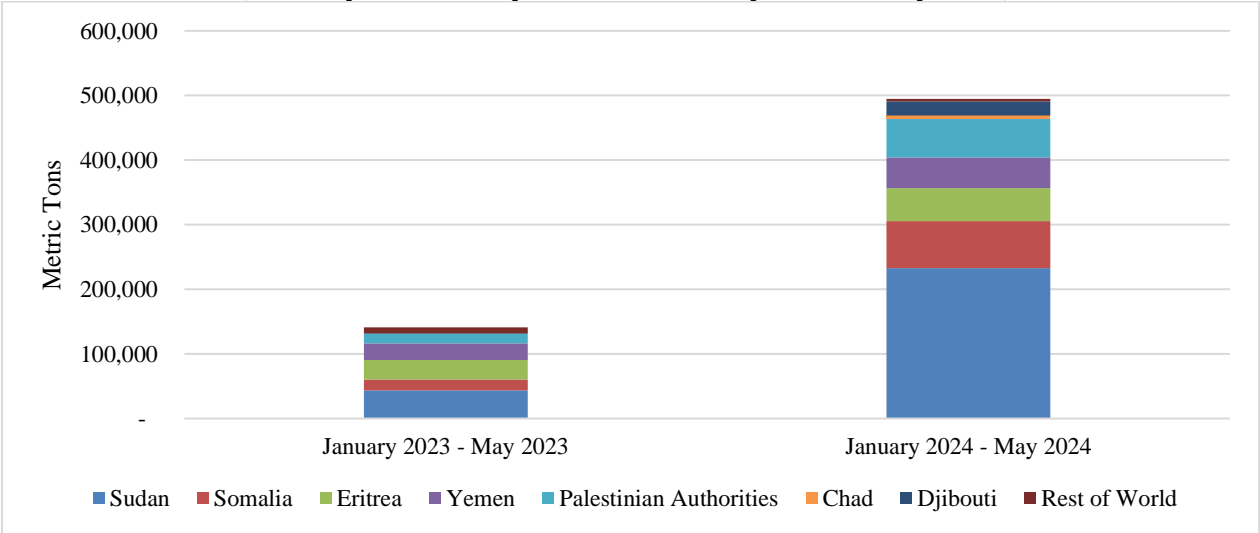
**Map 1: Red Sea Region**



Source: Encyclopedia Britannica, Inc.

From January 2024 - May 2024, Egypt increased its wheat flour exports by 250 percent compared to the same period last year. The largest increase in exports were to Djibouti, Sudan, Somalia, and the Palestinian Authorities (PA) (see Chart 4). A primary reason for this increase in exporting to such destinations has been a result of the larger regional crisis—Houthi attacks on vessels in the Red Sea, the Israel-Hamas crisis, and the crisis in Sudan. As many vessels began to avoid shipping through the Red Sea (starting around October 2023), many Egyptian traders chose to continue transiting through the Red Sea, as it was a shorter distance and had lower freight costs compared to other Black Sea vessels. As a result, Egypt was able to partial fill the gap for wheat flour exports to Eritrea, Djibouti, Yemen, and Somalia. Furthermore, Egypt has increased its exports to the PA since the start of the Israel-Hamas crisis, as the PA sought to increase aid imports of staple commodities, such as wheat flour. Lastly, since April 2023, the crisis in Sudan has led to a large disruption in milling factories for wheat flour. As a result, Egyptian traders have been increasing their exports of wheat flour to Sudan to fill this gap (see Chart 4).

**Chart 4: Egypt Wheat Flour Exports to World  
(January 2023 – May 2023 vs. January 2024 – May 2024)**



Source: Trade Data Monitor, Inc.

## STOCKS

Ending stocks in MY 2024/25 are estimated at 3.86 MMT, up by 55.6 percent from Post's previous estimate due to a projected increase in imports amid anticipation of lower international prices on the global market.

Wheat Market Year Begins Egypt	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1450	1450	1350	1350	1400	1400
Beginning Stocks (1000 MT)	5330	5330	4840	4840	3410	4310
Production (1000 MT)	9500	9500	8870	8870	9200	9200
MY Imports (1000 MT)	11221	11221	12000	12500	12000	12500
TY Imports (1000 MT)	11221	11221	12000	12500	12000	12500
TY Imp. from U.S. (1000 MT)	115	115	0	0	0	0
Total Supply (1000 MT)	26051	26051	25710	26210	24610	26010
MY Exports (1000 MT)	661	661	1800	1400	1500	1500
TY Exports (1000 MT)	661	661	1800	1400	1500	1500
Feed and Residual (1000 MT)	1300	1300	1300	1300	1100	1300
FSI Consumption (1000 MT)	19250	19250	19200	19200	19000	19350
Total Consumption (1000 MT)	20550	20550	20500	20500	20100	20650
Ending Stocks (1000 MT)	4840	4840	3410	4310	3010	3860
Total Distribution (1000 MT)	26051	26051	25710	26210	24610	26010
Yield (MT/HA)	6.5517	6.5517	6.5704	6.5704	6.5714	6.5714

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

## CORN

### PRODUCTION

Estimated MY 2024/25 (October – September) corn production is 7.0 MMT, down from Post's earlier estimate by almost 7.9 percent. The decrease is due to excessive heat during the growing season and high insect pressure - mainly the fall army worm - causing lower kernel counts and reduced yield throughout the region from July to August. Declining domestic corn prices before the planting season by more than 48 percent and inflated prices of inputs caused area harvested in MY 2024/25 to decrease by 5.15 percent compared to Post's previous estimate.

This year, Egypt's ARC increased extension services, with a major focus on improving farmer's knowledge and awareness on managing resistance of the fall army worm, which became a major pest causing serious damage to the crop. Priorities of ARC also include increasing the number of demonstration fields, showcasing new maize varieties, and demonstrating good practices.

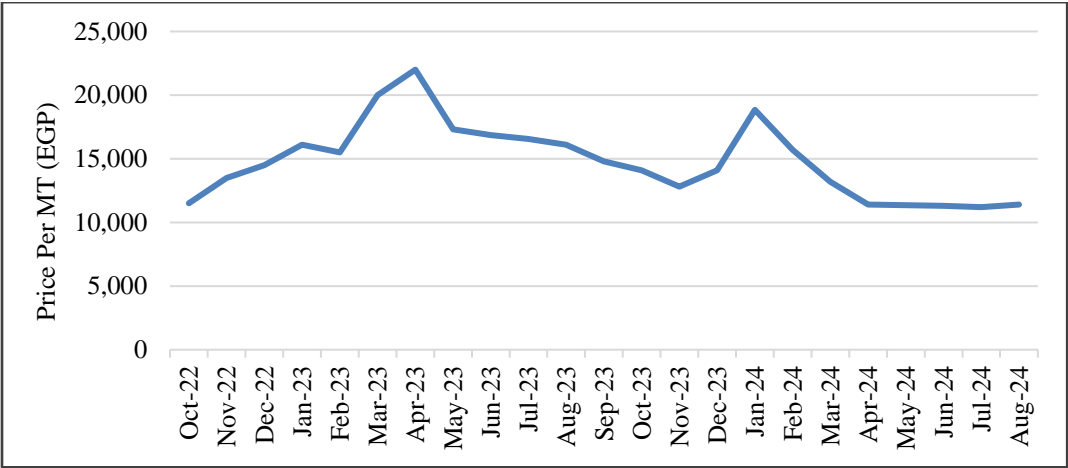


**CONSUMPTION**

Corn consumption in MY 2024/25 (October – September) is estimated at 15.3 MMT, unchanged from Post’s earlier estimate. The availability of forex in Egyptian banks have contributed to the release of feed raw materials stuck in ports and encouraged many poultry producers to resume production. Prices of corn (which represents 70 percent of poultry feed formulation) declined by almost 29.2 percent in August 2024 compared to August 2023 (see Chart 5).

Post anticipates the poultry sector’s feed consumption to grow by almost 2.5 percent in MY 2024/25, as broiler consumption rebounds with larger producers expanding, and vertical integration increases. The GOE has continued to increase licenses for livestock, poultry, and fodder projects through the livestock and poultry sector, facilitating the procedures to obtain these operational approvals.

**Chart 5: Domestic Corn Prices**



Source: FAS/Cairo Research

**TRADE**

Egypt’s MY 2024/25 (October – September) corn imports are estimated at 8.0 MMT, up by almost 3.9 percent from Post’s earlier estimate. The increase in imports is attributed to the availability of forex and increased demand by the livestock sector and especially in the poultry sector. Egypt’s major suppliers of corn continue to remain Brazil, Argentina and Ukraine, while the United States is the primary supplier of Distilled Dried Grains (DDGs) and Corn Gluten Meal (CGM) to the Egyptian market.

## STOCKS

Post forecasts Egypt's corn stocks in MY 2024/25 at 1.1 MMT, less by almost 21.2 28.4 percent from Post's estimate in April 2024 due to lower production.

Corn Market Year Begins Egypt	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	930	930	950	950	970	920
Beginning Stocks (1000 MT)	1557	1557	1511	1511	1410	1410
Production (1000 MT)	7440	7440	7200	7200	7600	7000
MY Imports (1000 MT)	6215	6215	7500	7500	7800	8000
TY Imports (1000 MT)	6215	6215	7500	7500	7800	8000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	15212	15212	16211	16211	16810	16410
MY Exports (1000 MT)	1	1	1	1	1	1
TY Exports (1000 MT)	1	1	1	1	1	1
Feed and Residual (1000 MT)	11200	11200	12300	12300	12900	12800
FSI Consumption (1000 MT)	2500	2500	2500	2500	2500	2500
Total Consumption (1000 MT)	13700	13700	14800	14800	15400	15300
Ending Stocks (1000 MT)	1511	1511	1410	1410	1409	1109
Total Distribution (1000 MT)	15212	15212	16211	16211	16810	16410
Yield (MT/HA)	8	8	7.5789	7.5789	7.8351	7.6087

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

## RICE

### PRODUCTION

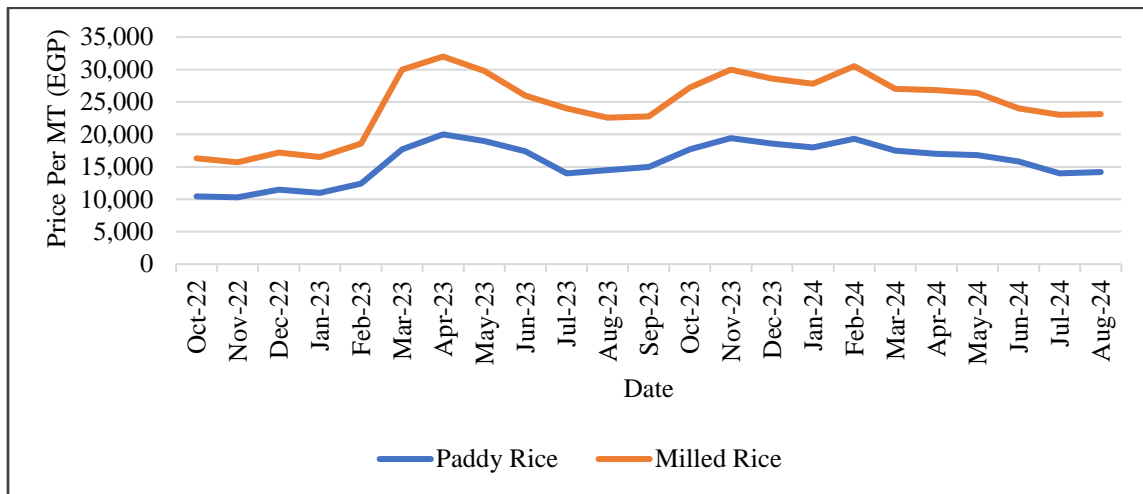
Estimated MY 2024/25 (October – September) milled rice production is 3.9 MMT, up by 8.3 percent than Post's earlier production figure. The increase is due to high prices of rough and milled rice prior to the 2024 planting season, which prompted farmers to increase crop area beyond the allotted rice cultivated area set by Egypt's Ministry of Water Resources and Irrigation (MWRI) for CY 2024 at 1,074,200 feddans (~451,164 HA).

Post's estimate MY 2024/25 (October – September) rice area is at 670,000 HA, up by roughly 11.6 percent than Post's earlier estimate. Despite increased areas of rice, estimated yields in MY 2024/25 is reduced by almost 3.0 percent due to extended high temperatures during the season, coupled with fertilizer shortages.

### CONSUMPTION

Estimated MY 2024/25 rice consumption and residual is at 4.1 MMT, unchanged from Post's earlier estimate. This slight increase in consumption is attributable to a reduction of rice prices in the domestic market, especially closer to harvest, along with a weaker demand for buying rice in the recent period causing a decline in prices as most of the stored rice has started to reappear in the market before the planting season (see Chart 6).

**Chart 6: Paddy and Milled Domestic Rice Prices**



Source: FAS/Cairo Research

The government has also ensured a sustainable supply of affordable rice for the beneficiaries under the subsidy program. Current rice prices in the government affiliated stores is 25 EGP/Kg of packaged rice while prices of packaged rice, in the retail market hover between 27-37EGP/Kg depending on brand, grade and quality. Unpackaged rice prices are between 23-27 EGP/Kg.

Paddy rice prices have declined by 26.4 percent as compared to prices in February of 2024. Similarly, milled rice prices in the domestic market have also declined by roughly 24.4 percent during the same period.

Rice consumption in Egypt varies across different geographical locations with higher rates in the northern Delta, coastal cities, and greater Cairo, compared to the Middle and Upper Egypt regions.

## TRADE

Egyptian MY 2024/25 rice imports are estimated at 225,000 MT, unchanged from the previous marketing year.

In MY 2023/24 (October –July), traders sourced around 123,202 MT of milled rice from international markets. The two major rice suppliers to the Egyptian market were China and India, with 67,550 MT from China and 50,347 MT from India. Most rice imports are long-grain, basmati, and jasmine rice.

## STOCKS

Post forecasts Egypt’s ending rice stocks in MY 2024/25 up from Post’s previous estimate, due to increased production in MY 2024/25.

Rice, Milled Market Year Begins Egypt	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	600	600	630	630	600	670
Beginning Stocks (1000 MT)	613	613	600	600	550	550
Milled Production (1000 MT)	3600	3600	3780	3780	3600	3900
Rough Production (1000 MT)	5217	5217	5478	5478	5217	5652
Milling Rate (.9999) (1000 MT)	6900	6900	6900	6900	6900	6900
MY Imports (1000 MT)	392	392	225	225	400	255
TY Imports (1000 MT)	343	343	250	250	400	255
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	4605	4605	4605	4605	4550	4705
MY Exports (1000 MT)	5	5	5	5	5	5
TY Exports (1000 MT)	5	5	5	5	5	5
Consumption and Residual (1000 MT)	4000	4000	4050	4050	4075	4100
Ending Stocks (1000 MT)	600	600	550	550	470	600
Total Distribution (1000 MT)	4605	4605	4605	4605	4550	4705
Yield (Rough) (MT/HA)	8.695	8.695	8.6952	8.6952	8.695	8.4358
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

**Attachments:**

No Attachments