

Required Report: Required - Public Distribution

Date: November 30, 2022

Report Number: EG2022-0032

Report Name: Livestock and Products Annual

Country: Egypt

Post: Cairo

Report Category: Livestock and Products

Prepared By: Shaza Omar

Approved By: Elizabeth Mello

Report Highlights:

In 2022, the Egyptian government announced that feed costs increased by 40 to 45 percent. Beef prices also increased by 15 to 20 percent, discouraging per capita consumption. Prices are expected to continue increasing in response to the ongoing devaluation of the Egyptian pound and complex import procedures. Imports of Indian water buffalo increased to reach 150 thousand MT, while Brazilian beef imports are still limited.

Executive Summary

FAS Cairo forecasts Egypt's production (calf crop) in market year (MY) 2023 (January-December) at 1.95 million head, a 0.5 percent decrease from the USDA official MY 2022 number. Due to high production costs, particularly feed, many farmers – especially those who own small and medium size husbandries - decided to maintain or decrease the size of production. Only integrated farms were able to absorb the challenging feed shortage and high prices. Accordingly, post forecasts a minor increase of the Egyptian herd at 1.95 million head, slightly less than the USDA official number for MY 2022.

In late 2021, The Ministry of Agriculture and Land Reclamation (MALR) released Egypt's national herd number for calendar year CY 2020. They reported approximately 4.5 million animals which is almost half of the number announced in 2016 (8.5 million animals). Post contacted several ranchers across the country to check if their husbandries were taken into consideration in the Ministry's statistics. They all confirmed that they were not approached by the ministry. The ministry's records depended on the number of vaccinated animals which represents 50 to 60 percent of the total herd number. Before 2020, estimating the herd size relied on the feed use and consumption. Both methodologies can't generate an accurate statistic, however, using feed consumption is more realistic. This is because post believes that through feed sales, the number of animals can be better estimated compared to the number of vaccinated animals.

In October 2022, the government announced that feed costs increased by 40 to 45 percent. This means that the current cost per animal ranges from 65 EGP (\$3.31) to 90 EGP (\$4.6) per day compared to 45 EGP (\$2.3) to 60 (\$3) EGP last year. This is making it burdensome for the small-scale producer (FOREX EGP 23 to USD \$1.00). Water scarcity also poses production challenges. The government seeks herd growth to increase domestic beef production, increase carcass weight, and stabilize market prices.

FAS Cairo forecasts Egypt's live cattle imports in MY 2023 to remain unchanged from MY 2022 at 200,000 head. Imports dropped by 29 percent from 2020 in 2021 and post forecasts live cattle imports to continue to remain low in 2023.

FAS Cairo forecasts Egypt's beef production in MY 2023 to reach 390,000 MT, up slightly by 1.3 percent or 5,000 MT above MY 2022 estimates of 385,000 MT.

FAS Cairo forecasts Egypt's domestic beef consumption in MY 2023 at 660,000, up by less than one percent from MY 2022 estimates at 655,000 or 5,000 MT. Post attributes this slight increase, which is less than expected, to the reduction of imports. Insufficiency of US dollars, high inflation rates and instability of import procedures are discouraging suppliers.

FAS Cairo forecasts Egypt's total beef imports in MY 2023 at 270,000 MT; unchanged from 2021. Post attributes the same import quantity as MY 2021 due to the same reason as the decrease in consumption: lack of availability of the US dollars, high inflation rates and instability of import procedures that are

discouraging suppliers. Importers are reporting extended delays at the ports due to shortage of the US dollars. The delays increased costs due to storage and demurrages fees.

CATTLE:

Production, Supply and Demand Data Statistics:

Animal Numbers, Cattle	2021		2022		2023	
	Jan 2021		Jan 2022		Jan 2023	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
(*1000 HEAD)						
Total Cattle Beg. Stocks	7850	7850	8000	8000	0	8110
Dairy Cows Beg. Stocks	4500	4500	4550	4550	0	4570
Beef Cows Beg. Stocks	0	0	0	0	0	0
Production (Calf Crop)	1940	1940	1960	1940	0	1950
Total Imports	200	200	200	200	0	200
Total Supply	9990	9990	10160	10140	0	10260
Total Exports	0	0	0	0	0	0
Cow Slaughter	750	750	760	775	0	780
Calf Slaughter	50	50	50	50	0	50
Other Slaughter	990	990	1005	1005	0	1025
Total Slaughter	1790	1790	1815	1830	0	1855
Loss and Residual	200	200	230	200	0	240
Ending Inventories	8000	8000	8115	8110	0	8170
Total Distribution	9990	9990	10160	10140	0	10260

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

Production - Cattle numbers

Post forecasts Egypt's production (calf crop) in market year (MY) 2023 (January-December) at 1.95 million head, a 0.5 percent decrease from USDA official MY 2022 number. Due to high production costs, particularly feed, many farmers – especially those who own small and medium size husbandries - decided to maintain or decrease the size of production. Only integrated farms were able to absorb the challenging feed shortage and high prices. Accordingly, post forecasts a minor increase of the Egyptian herd at 1.95 million head, slightly less than the USDA official number for MY 2022.

Total supply in MY 2023 is expected to reach 10.260 million animals, increasing by 120,000 head or slightly over the one percent from MY 2022 figure of 10.140 million. The herd size remains stable, there were no disease outbreaks reported in MY 2022 to affect the herd size. Farmers, especially those who has small head numbers, choose to maintain, or decrease size of production as a response to the high input cost.

Egypt only produces 35 percent of its feed requirements, and rely mainly on imports, which highly affect and increase the prices. In 2019, the sector of animal resources at Ministry of agriculture, declared that almost 70 percent of the animal husbandries in Egypt are run by small and medium enterprises. This creates failure in establishing adequate feedlots and the inability to purchase feed at higher prices.

Egypt's national herd is largely composed of bovine dairy cattle (*Bos taurus*) and domestic water buffalo (*Bubalus bubalis*), split in a ratio of 55 to 45 percent.

In late 2021, The Ministry of Agriculture and Land Reclamation (MALR) released Egypt's most recent national herd number for (CY) 2020. They reported approximately 4.5 million animals which is almost half of the number announced in 2016 at 8.5 million animals. Post contacted several ranchers across the country to check if their husbandries were taken into the consideration in the Ministry statistics. They all confirmed that they were not approached by the ministry. The ministry's records depended on the number of vaccinated animals which represents 50 to 60 percent of the total herd number. Both methodologies can't generate an accurate statistic, however using feed consumption is more realistic. This is because post believes that through feed sales, the number of animals can be better estimated compared to the number of vaccinated animals.

Trade – Currency Inflation and Current Economic Situation in Egypt

On February 13, 2022, the Central Bank of Egypt (CBE) announced that Egyptian banks should no longer accept documentary collections to finance imports. Under the previous process, for most imports the credit and foreign exchange issues were simply between the importer and exporter and did not involve bank financing, although some large companies were already using letters of credit for large orders. But under the new regulations, all importers are required to open letters of credit, which are often required to be backed by foreign currency and require a lot of processing power on the part of bank, to import goods. Egyptian banks can only accept documentary collections for goods already shipped before February 22, 2022.

On March 21, 2022, CBE and the Government (GoE) of Egypt adopted several measures to respond to the inflationary pressures that are building up rapidly in the economy especially following the latest announcement of the Federal Reserve to increase interest rate, and the continuous fallout from the war in Ukraine which caused a hike in prices of energy and many commodities. These measures included increasing the interest rates and lifting controls on the exchange rate which allowed the Egyptian Pound (EGP) to depreciate by nearly 16% against the US Dollar (USD).

on October 27, The International Monetary Fund (IMF) announced that it had agreed to a \$3 billion, 46-month loan for Egypt. Earlier the same day, the Central Bank of Egypt (CBE) announced that the Egyptian pound's exchange rate would be flexible and that the letter of credit (L/C) requirement that has restricted imports since February would be phased out by December. Immediately following the announcement, the pound slid roughly 15 percent against the U.S. dollar, reaching 22.65 EGP to the USD as of noon local time. The CBE also announced a two percent hike in interest rates to help contain inflation after maintaining rates for the last several months. In discussions with Post, the IMF has been critical of both the CBE's intervention to support the pound and the L/C requirement.

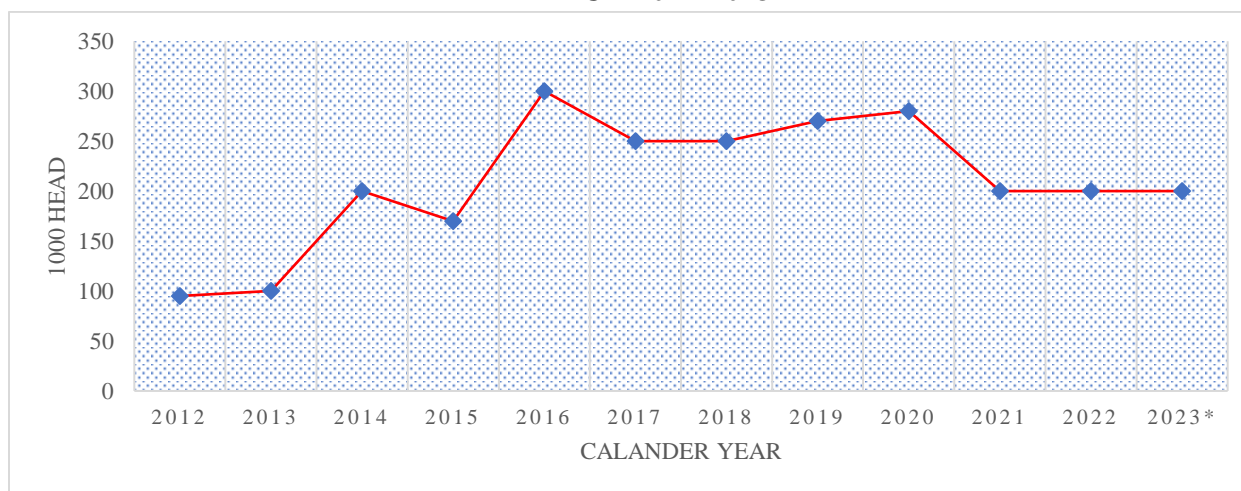
Trade - Imports of Live Cattle

Post forecasts Egypt's live cattle imports in MY 2023 to remain unchanged from MY 2022 at 200,000 head. Imports dropped by 29 percent compared to MY 2020 and MY 2021. Post forecasts live cattle imports will continue to remain moderate in 2023. Post attributes imports of live cattle to remain lower than usual due to lesser supply from Brazil, and inability to find a proper replacement. Brazil proceeds to slaughter and process more of its animals intended to export beef to China.

Furthermore, no increase of imports is expected due to the earlier mentioned economic situation, which is hugely affecting imports; the insufficiency US dollars, high inflation rates (\$1 = EGP 23 compared to EGP 16 at the beginning of the year) and import restrictions. However, imports of live cattle are forecast to remain unchanged. This is because, most of the live cattle imports are managed by the government itself (Egyptian military).

Sources also identified that Egypt's demand of sheep and camels is more than cattle. Imports are mainly of Sudanese live cattle for immediate slaughter and the remaining imports are sourced from Europe and Latin America.

Figure 1
EGYPT - Live Cattle Imports
CY 2012-2023*



NOTE: () MY 2023 Post forecast cattle beginning stock figure.*

Source: FAS Cairo office research.

Trade – Main Suppliers of Live Cattle to Egypt

Egypt's primary supplier of live cattle for immediate slaughter in recent years has been Sudan. Sudan, however, does not report its live cattle exports numbers.

In 2018, Egypt and Sudan signed an agreement to import 800,000 head of Sudanese live cattle for immediate slaughter over the course of three years (i.e., 2018-2020).

The agreement that was set to expire in 2020, was put on hold by the October 2019 outbreak of Rift Valley Fever (RVF) in Sudan and the ensuing Egyptian ban (November 2019) on Sudanese live cattle imports. Since December 2019, the MALR's General Organization for Veterinary Services (GOVS) has approved Sudanese live cattle for slaughter and the production of beef cuts, but only if processing occurs in Sudan. The Egyptian GOVS technical teams continue to travel routinely to inspect and certify the slaughtering process and facilities in Sudan. However, in March 2020, Egypt lifted the ban on Sudanese live cattle for immediate slaughter.

Brazil is one of Egypt's major suppliers of record of live cattle for immediate slaughter. Brazil shipped in CY 2020, a sum of 63,500 head of cattle compared to 94,602 head of cattle the previous CY. Recording a drop of 31,102 head or down by 32 percent. In 2022, Brazil shipped 22,200 head down 65 percent compared to CY 2020.

The drop in live cattle shipments to Egypt compared to previous years is due to China's increased demand for frozen Brazilian beef and varietal meat cuts. Chinese demand for Brazilian beef has resulted in increased cow slaughter for beef production, displacing the number of live animals available for export to Egypt. China increased demand for foreign-origin animal protein is a result of the spread of African swine fever in the Chinese mainland - the country's 440-million-hog herd has shrunk by half. China had taken several steps to contain the diseases, however, in February 2022, China detected a reoccurrence of the African Swine Fever.

Post believes that the demand on Brazilian beef will continue to increase. In 2022, China has had unpredictable behavior towards beef imports from Brazil, suspending Brazilian exporting plants for rather obscure and vague reasons (often related to package contamination of COVID). Nonetheless, it continues being the main buyer of Brazilian beef, accounting for 51 percent (January through July 2022) of total beef exports.

Other live cattle suppliers in recent years include EU-28 member states Croatia, Germany, Hungary, Italy, the Netherlands, Slovenia, and Spain, Colombia, and Uruguay.

Egyptian imports of U.S.-origin live dairy cattle made a comeback in 2019-2020. U.S. Holsteins are highly regarded by Egyptian importers and government officials. U.S. Holstein dairy cattle are Egyptian dairy producers' preferred breed. One of Egypt's largest dairies uses higher milk producing U.S.-bred heifers and their offspring exclusively. Between November 2019 and February 2020, Egypt imported over 4,700 head of U.S. Holsteins. These shipments represent the first successful U.S. live cattle exports to Egypt since 2013 (see [GAIN-EGYPT \(EG2020-0001\) Got Milk – Egypt Imports U.S. Holsteins](#)).

Importers reported that there were agreements to purchase U.S. Holsteins in early 2022. However, due to the current economic situation, as well shortage of U.S. heifers and high prices, all deals fell through.

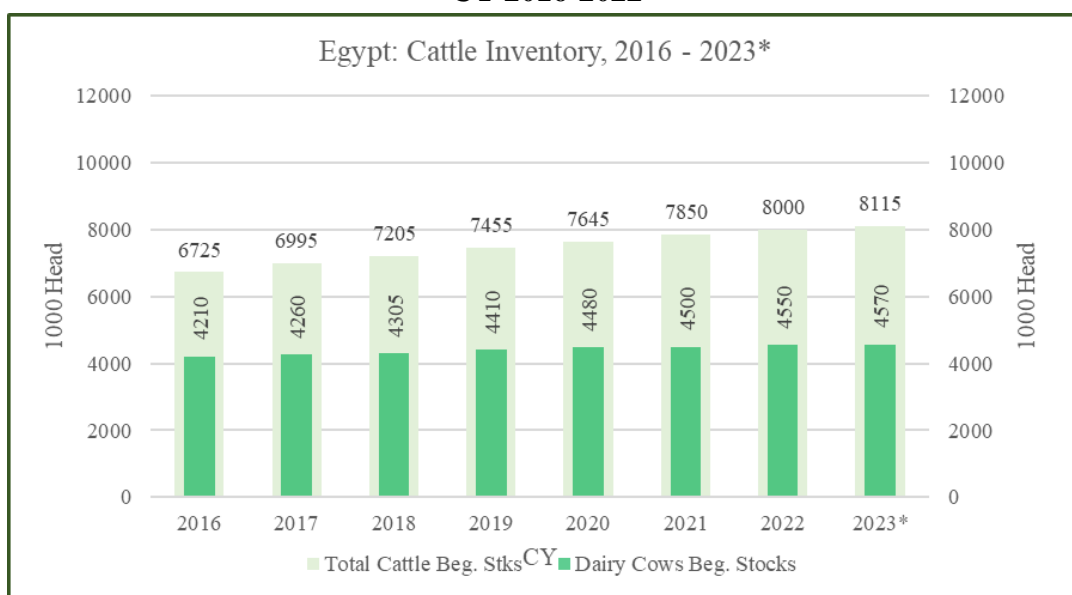
Trade - Exports: None. Egypt is not an exporter of live cattle for slaughter, nor of dairy cattle, or of animals for breeding stock.

Policy

Egypt’s main strategies to increase supply of beef:

The Ministry of Agriculture and Land Reclamation in January 2019 launched the “Filling the Blanks project”. The project aims, by increasing the national herd size, to increase dairy and beef productivity. In 2016, President Abdel Fattah El-Sisi launched the National Million Cattle project, whereby Egypt will expand dairy and beef production by growing the national herd by 1 million head in a two-year period. However, dynamic growth of one herd is not reflected nor expected to be seen in the near-term future.

Figure 2
EGYPT - Live Cattle Inventory
CY 2016-2022



NOTE: () MY 2023 Post forecast cattle beginning stock figure.*

Source: FAS Cairo office research.

The government continues to enforce Ministerial Decree (Agriculture) No. 72/2017 (February 2017), prohibiting the slaughter of domestic cattle weighing 400 kilograms or less, as well as of bulls under two-years of age. Prior to the decree, carcass weight averaged 27.5 kilograms; today carcass weight averages 130 kilograms. This decree does not apply to animals imported for immediate slaughter.

The national veal project (relaunched in May 2017) has benefitted 5,200 young, small-scale farmers that fell on hard times in 2020. This year’s number of beneficiaries has dropped precipitously; farmers are experiencing difficulties in repaying the five percent interest bearing loans for cattle and feed purchases.

The project has succeeded to drive up pre-slaughter weights for 550,000 younger animals slaughtered yearly, up from the previous 80-120 kilograms range now to 400 kilograms.

**MEAT, BEEF AND VEAL:
Production, Supply and Demand Data Statistics:**

Market Year Begins	Jan 2021		Jan 2022		Jan 2023	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
(1000 MT CWE)						
Slaughter (Reference) (1000 Head)	1790	1790	1815	1830	0	1855
Beginning Stocks	0	0	0	0	0	0
Production	375	375	375	385	0	390
Total Imports	250	250	315	270	0	270
Total Supply	625	625	690	655	0	660
Total Exports	0	0	0	0	0	0
Human Dom. Consumption	625	625	690	655	0	660
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	625	625	690	655	0	660
Ending Stocks	0	0	0	0	0	0
Total Distribution	625	625	690	655	0	660

Note: “New Post” data reflects FAS Cairo’s assessments and are NOT official USDA data.

Production

Post forecasts Egypt’s beef production in MY 2023 to reach 390,000 MT, up slightly by 1.3 percent or 5,000 MT above MY 2022 estimates of 385,000 MT. The government’s ongoing program seeks to meet consumption patterns and increased demand. However, the increase has didn’t yet meet the ambitions of the government programs.

This can be due to instability of the feed sector as well the recent increase in its costs. Egypt’s feed production covers less than 35 percent of its feed demand, and source the rest of its need through import.

FAS Cairo forecasts Egypt’s cattle total slaughter in MY 2023 at 1.85 MT million head, up by 1.4 percent or increasing by 25,000 animals compared to MY 2022 at 1.83 MT million head. Post understands that animal slaughter can compensate to the reduction of import quantity and may ease beef prices. As well, farmers tend to slaughter more animals to reduce the feed costs burden.

Since December 2019, the ministry has carried out a preventative vaccination campaign for Rift Valley fever (RVF). Until this year, the disease reportedly has not made its way into Egypt.

To limit the spread of RVF into Egypt, there has been an increase in the slaughter of Sudanese live cattle (starting in December 2019) and processing for its beef south of the Egypt-Sudan border.

Cattle production input costs are high despite the Egyptian government adopting measures to lower costs. The government authorized in 2018 the planting of an additional 400,000 hectares for yellow corn for cattle feed. To support production, the MALR purchases local feed corn at fixed times during

the year and at set prices. To lower cattle production costs, the MALR aims to increase feed corn yields to 12 metric tons (MT) per hectare by 2030.

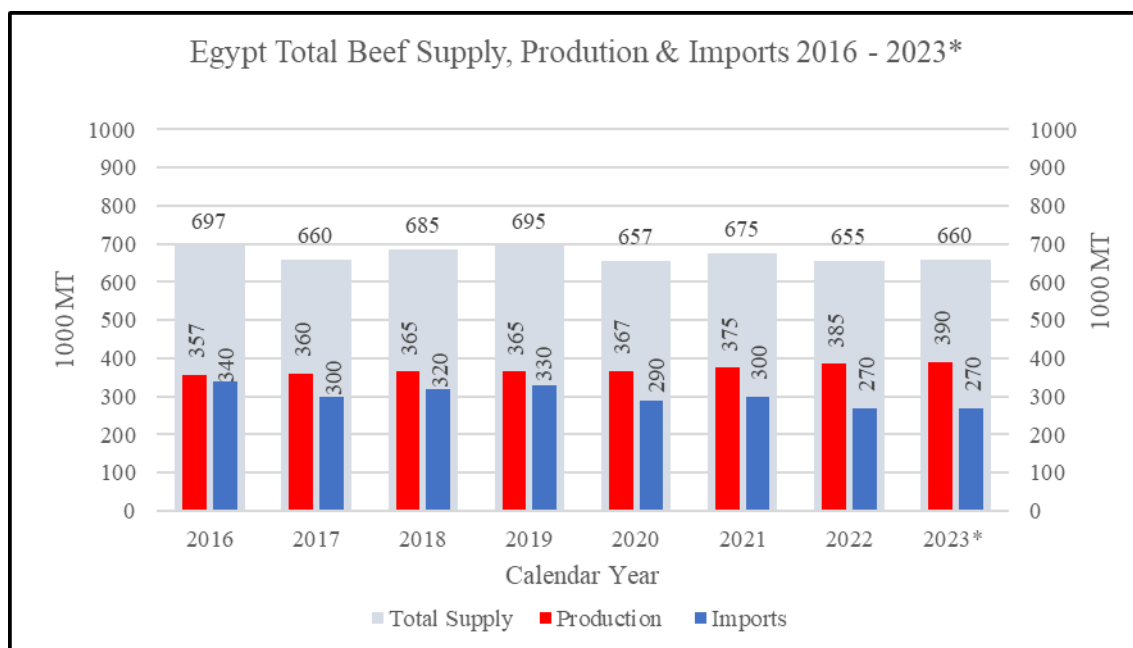
In 2022, the government announced that feed costs increased by 40 to 45 percent. Estimating that the current cost per animal is Egyptian pounds' ranges 65 EGP (\$3.31) to 90 EGP (\$4.6) per day compares to 45.00 EGP (\$2.3) to 60 (\$3) EGP last year. This is making it burdensome for the small-scale producer (FOREX EGP 23 to USD (\$1.00)). Water scarcity also poses production challenges. The government seeks herd growth to increase domestic beef production, increase carcass weight, and stabilize market prices.

Consumption

FAS Cairo forecasts Egypt's domestic beef consumption in MY 2023 at 660,000 up by less than one percent from MY 2022 estimates at 655,000 or 5,000 MT. Post attributes this slight increase, which is less than expected, to the reduction of imports. Insufficiency of US dollars, high inflation rates and instability of importation procedures are discouraging suppliers.

Moreover, contacts declared that there are delays at ports due to lack of foreign currency which is a huge problem for beef and beef products. Moreover, beef prices increased by 15 to 20 percent discouraging the per capita consumption. Prices are expected to surge as a response to the continued devaluation of Egyptian pound and complex import procedures.

Figure 3
EGYPT - Total Beef Supply, Production, and Imports
CY 2016-2022*



NOTE: (*) MY 2023 Post forecast beef production and imports figures.

Source: FAS Cairo office research.

Consumer's Preferences and Prices

Affordably priced beef drives domestic beef consumption; most of Egypt's population of 104.3 million are lower-income consumers. Any variation in the consumption rate is due mainly to beef affordability. Beef consumption remains tied to cost, rather than to recommended daily protein intake amounts.

Egyptians prefer beef to other types of meat (i.e., poultry and lamb). Consumers favor freshly slaughtered beef over frozen beef largely for cultural reasons. Egyptians consume red meat from locally produced fresh beef, imported live cattle or immediate slaughter, frozen water buffalo beef (India), and frozen beef.

More affluent consumers view imported frozen beef as an inferior product. They perceive the bulk of frozen beef imports as often being low-quality cuts sold mainly at government outlet stores at discounted (subsidized) prices.

The average retail price of beef in Egypt for local and imported cuts in Egyptian pounds remained increased by 15 to 20 percent compared to 2021. Beef liver, a major source of affordable animal protein, vary in price greatly.

This year, the domestic liver price ranges from EGP 140/Kilogram (\$6) to EGP 160/ kilogram (\$7) at retail display store. And sold at Ministry of Supply and Internal Trade's (MOSIT) Holding Company for Food Industries (HCFI) average EGP 100/ kilogram (\$9).

Beef liver prices was stable per kilogram today, however, are nonetheless 60 percent higher than they were earlier in 2018. Imported liver prices is showing the highest prices in Egyptian recent future at EGP 135/Kilogram compared to ranges from EGP 38/Kilogram to 40/kilogram (\$ 2.3 – 2.5) more than 200 percent increase.

Egypt, Meat Prices Before and After the November 2016 Devaluation and Current Devaluation:

Product	Before the 2016's Devaluation		August 2018		August 2019		August 2020		August 2021		August 2022 Recent Devaluation		
	EGP	USD	EGP	USD	EGP	USD	EGP	USD	EGP	USD	EGP	USD	
Live Cow	40.00	2.23	65.00	3.63	55.00	3.33	55.00 to 60.00	3.50 to 3.75	57.5	3.6	60	2.6	
Live Buffalo	37.00	2.07	54.00	3.02	48.00	2.90	50.00	3.00	51	3.2	58	2.5	
Domestic Fresh Beef	80.00 to 120.00	4.40 to 6.70	120.00 to 180.00	5.03 to 5.59	120.00 to 180.00	7.20 to 10.90	130.00 to 185.00	8.00 to 11.50	170	10.70	200	10	
Sudanese Chilled Beef	65.00	3.63	90.00 to 100.00	5.03 to 5.59	85.00	5.06	95.00	6.00	85	5.3	100	9	
Brazilian Frozen Beef	45.00	2.51	75.00 to 85.00	4.19 to 4.75	80.00	4.80	80.00	5.00	90	5.6	105	5	
Sudanese Chilled Beef at MoSIT Shops	60.00	3.35	90.00	5.03	85.00	5.06	95.00	5.95	85	5.3	95	4	
Brazilian Frozen Beef at MoSIT Shops	50.00	2.79	80.00	4.47	50.00	2.97	65.00	4.07	90	5.6	100	9	
Prices / kilogram.													

NOTE: Foreign Exchange Rates (2017) EGP 17.65 = USD \$1.00; (2018) EGP 17.90 = USD \$1.00; (2019) EGP 16.81 = USD \$1.00; (2020/2021) EGP 15.98 = USD \$1.00. (2022) EGP 23 = USD \$ 1.00.

Source: FAS Cairo office research.

The 2022 *Eid al-Adha* Islamic holiday (July 9) saw prices for live cattle for slaughter range from EGP 24,950 (\$1,530) to EGP 33,000 (\$1,680) compared to 22,950 (\$1,445) to EGP 31,200 (\$1,615) last year.

The Food Subsidy Program

In fiscal year (FY) 2021/22 (June – July), the government allocated EGP 87 billion (\$5.5 billion) for bread and food subsidies. Of this amount, roughly EGP 51 billion (\$3.2 billion) is earmarked for the bread subsidy program. Another EGP 36 billion (\$2.3 billion) is allocated to the supply commodities (i.e., rice, cooking oil, sugar, chicken, and beef) (USD 1.00 =EGP 15.75). The Egyptian Ministry of Finance estimates an additional cost of EGP 12-15 billion (\$761 million - \$952 million) above the current fiscal year's budget because of surging global wheat prices.

The subsidy program in CY 2020 provided cash allowances of EGP 50 (\$3.19) per beneficiary, up 233 percent from CY 2014's EGP 15 per beneficiary.

The system today offers beneficiaries a choice of discounted food items (i.e., supply commodities such as rice, beef, and chicken, etc.); it offers a more diversified food basket similar in quality to that found in retail outlets.

All SMART card beneficiaries are entitled to one liter of blended vegetable oil (EGP 17.00). A network of 1,300 state-owned consumer complexes managed by the Ministry of Supply and Internal Trade's (MOSIT) Holding Company for Food Industries (HCFI) accept SMART cards, as well as 31,000 partnered, private grocery stores.

The [Ministry of Supply and Internal Trade](#) (MoSIT) subsidizes beef and beef products through a network of 1,250 state-owned complexes managed by the Holding Company for Food Industries (HCFI) and by 27,000 partnered, private grocery stores. The ministry's HCFI outlets in 2022 sell Sudanese chilled beef EGP 100/Kilogram (\$5.10) compared to 2021 at 85.00/kilogram (\$4.3).

The Egyptian government, through the MoSIT\HCFI and Ministry of Defense stores, continues to prop up demand for beef by providing additional supply at below retail market costs. Government intervention stabilized prices, making imported beef less expensive than domestic product. Sudan and Brazil remain Egypt's main suppliers of beef, with India being the sole supplier of water buffalo beef. Demand for beef will decrease as inflation increase.

Trade - Imports

FAS Cairo forecasts Egypt's total beef imports in MY 2023 at 270,000 MT, unchanged from 2021. Post attributes the same import quantity as MY 2021 due to the same reason as the decrease in consumption: lack of availability of the US dollars, high inflation rates and instability of import procedures that are discouraging suppliers. Importers are reporting extended delays at the port due to shortage of the US dollars. The delays increased the costs, due to storage and demurrages fees.

Following the Egyptian pound's November 2016 devaluation, several private sector importers left the market. This scenario is expected to be currently repeated after this year devaluation as well. Government ministries such as the Ministries of Supply and Internal Trade, Agriculture and Land Reclamation, and of Defense, are Egypt's largest importers of live cattle and frozen beef and varietal meats (i.e., livers, hearts, and kidneys). The ministries today are the largest players in the live cattle and beef market, seeking to control the prices and drive down the cost of imported beef.

Egypt-U.S. Beef Liver Trade - In calendar year 2022 (January-August), exports to Egypt of U.S. frozen beef livers (HS No. 0206.22.00) are 31,435.8 compared to 29,595 MT the same time 2021 Egypt is the largest export market for U.S.-origin frozen beef livers. In calendar year 2019, exports to Egypt of U.S. frozen beef liver reached 57,570 MT (\$67 million), up 3,200 MT from the 2018 volume of 54,368 MT (\$56 million).

One of the biggest challenges was the application of Egyptian standards establishing a zero-tolerance residue level for veterinary drugs (e.g., Ractopamine). High rejections and prolonged clearance from the ports were the most common obstacles for US beef liver.

However, National Food Safety Authority adopted a risk-based percent to manage Ractopmine which eased the trade. See [GAIN-EGYPT | \(EG2021-0014\) Adopting A Risk Based Tolerance for Ractopamine in Beef Reduces Rejections by 90 Percent](#)

Egypt-U.S. Beef Trade - Through August 2022, exports to Egypt of U.S. beef (HS No. 0202.30.60 – meat of bovines, boneless, frozen, except processed) at 32,906.MT almost same as 2021 (i.e., 31,214 metric tons). In 2020, COVID-19 disruptions to the Egyptian HRI sector dampened demand for U.S. high-quality beef cuts. In calendar year 2019, exports to Egypt of U.S. frozen beef (high-quality muscle cuts for high-end hotels and restaurants) reached 210 MT (\$2 million), up 123 percent from CY 2018’s volume of 157 MT, while doubling from \$1 million in terms of value. However, tourism started to pick up in 2021 and continue to increase, Egypt reported through June 2022 four million tourists had visited Egypt compared to two million tourists in 2021. It is worth noting, that many Ukrainians have been travelling to Egypt since the Russian – Ukrainian tension initiated.

US Beef Plant Audits and Egypt’s Halal Requirements - In March 2019, officials from the MALR\GOVS conducted food safety and halal audits of U.S. beef processing establishments. The mission audited the U.S. food safety system for beef products. Following the audit, Egypt’s GOVS provided system-wide food safety recognition for beef and beef products. All U.S. beef establishments under USDA\Food Safety Inspection Service supervision are now eligible to export to Egypt if establishments follow halal guidelines. Prior to the March 2019 audit, the GOVS conducted individual plant audits to determine beef plants eligibility to export to Egypt.

Following the audit, the GOVS approved only one halal certifier (out of eight) to certify halal shipments to Egypt. According to industry contacts, the price for halal certification has increased under the new system. Previously, halal certifiers charged \$10.00 (EGP 172.00) to \$20.00 (EGP 344.00) per metric ton for certification. That fee has now increased to \$0.10 per pound, equivalent to \$220.00/MT (EGP 3,516.00/MT) coming to a flat fee of \$5,000.00 per container). Post had anticipated that the new, higher halal certification fees would increase beef prices for Egyptian consumers (see [GAIN-EGYPT \(EG19007\): UPDATE – New Egyptian Halal Procedures May Disrupt Markets, Drive up Prices](#)); and this is currently the case.

Egypt-Brazil Beef Trade - Through June 2022, Egypt’s imports of Brazil-origin frozen beef are roughly 75,000 MT, up by 25,000 MT or almost 30 percent up compared to the 70,000 MT shipped during the same period in 2020. In calendar year 2019, Egypt imported 171,000 MT of Brazilian frozen beef, making Brazil the country’s largest supplier of beef.

In March 2021, Egypt delisted more than 40 Brazilian plants exporting beef to the Egyptian market. The Egyptian authority that certifies halal slaughter (ISEG) removed clearance of 42 of the 60 Brazilian meat processing plants entitled to export beef to the country. The government noted that the suspension is due the long duration since last audit on the beef suppliers. They declared that they need to ensure the quality status of the establishments exporting to Egypt.

The trade is affected due to the current high prices of Brazilian beef and beef products. In Brazil, both calf and cattle prices initially spiked in November 2019 due to the African Swine Fever outbreak in China, which led to an increase in protein demand in China and elevated global beef prices.

Egypt-India Beef (Water Buffalo) Trade - India remains Egypt's sole supplier of frozen water buffalo beef. Through June Egypt's imports of India-origin frozen water buffalo beef are 150,00 MT, up more than 30 percent, increasing 50,000 MT compared to the same period in 2021.

Post forecasts that Indian exports to Egypt will continue to increase in 2023, probably replacing any shortage of the Brazilian beef supply.

Egypt-Ireland Beef Trade - Early in 2017, Ireland announced that it signed an agreement with Egypt to export Irish beef and offal. Egypt had banned Ireland-origin product since the late 1990s as part of the ban of European Union (EU) countries due to the outbreak of *bovine spongiform encephalopathy* (BSE). Since 2001, Egypt has allowed the conditional lifting of the ban. In February 2016, following the inspection visit by Egypt's General Organization for Veterinary Services there was an easing of the ban. Ireland's Department of Agriculture indicates that with the finalization of technicalities, five Irish plants will start exporting beef to Egypt. Both countries also agreed to the export of live cattle from Ireland to Egypt.

Although Egypt and Ireland finalized the technical export agreement in 2018, sources indicate that the agreement was revised in 2019 and once again in 2020. To date Egyptian traders have only imported two container-loads (100 MT) of Irish veal. A key impediment to more shipments is the high price of Irish product compared with that from other origins.

Trade - Exports: None. Egypt is not an exporter of meat, beef and or veal.

Policy

Egypt's major beef export requirements

Halal Label Certification: On January 5, 2020, the Egyptian government issued Prime Ministerial Decree No. 35/2020, establishing a new state entity in the form of a joint-stock company integrated by the Ministries of Islamic Affairs, Agriculture and Land Reclamation, and the General Organization for Export and Import Control (an agency of the Ministry of Trade and Industry). The joint-stock company ISEGHALAL is the official Egyptian authority for granting halal label certification for foreign products shipped to the Arab Republic of Egypt (see [GAIN-EGYPT \(EG2020-0002\) Egypt's Halal Certification and Policy](#)).

Egypt Relaxes Shelf-Life Requirements for Frozen Fish and Beef Liver: On July 2, 2022, Egypt's Minister of Trade and Industry (MTI) signed Decree No. 393/2022. The decree renewed an earlier decision that extended the shelf-life validity period for imported frozen fish from six to nine months and of frozen beef liver from seven to ten months. Prior decrees renewed the decree extension for six

months. However, this decision is valid for one year and expires June 30, 2023. (see [GAIN EG2022-0023 Egypt Renews its Shelf Life Extension for Another Year](#))

On December 30, 2020, Egypt's Minister of Trade and Industry (MTI) signed Decree No. 653/2020. The decree renewed an earlier decision that extended the shelf-life validity period for imported frozen fish from six to nine months and of frozen beef liver from seven to 10 months. The decree valid until June 30, 2021. (See [GAIN \(EG2021-0002\) Egypt Continue to Relax Shelf –Life Requirements For Frozen Fish and Beef Liver](#)).

The government continued to issue renewals until the last decree issued in July 2022. Discussions with government authorities are now underway to formulate a longer-term solution. The government is preparing a trial to study the quality and safety properties of frozen liver related to the extended shelf life.

Attachments:

No Attachments