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Report Name: Oilseeds and Products Annual

U.S. Soybeans' Major Market Share Inroads; Ensuring the Sustainability and Quality of Egypt's Crush and Feed Industries

Country: Egypt

Post: Cairo

Report Category: Oilseeds and Products

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Report Highlights:

Egypt's soybean imports in marketing year (MY) 2020/21 (October-September) are forecast at 3.8 million metric tons (MMT), up 100,000 MT from the MY 2019/20 estimate. Marketing year 2018/19 was another record year for U.S.-origin soybean exports to Egypt. The United States with 2.54 MMT was Egypt's largest supplier of soybeans. Soybean meal consumption in MY 2020/21 is forecast at 3.2 million metric tons. Soybean oil consumption is forecast at 810,000 MT, up 1.25 percent from the MY 2019/20 estimate of 800,000 metric tons. Soybean, sunflower, and palm oil consumption for food and industrial use in MY 2020/21 is forecast at 2.42 MMT, up 1.6 percent compared to MY 2019/20. Imports of palm oil in MY 2020/21 are forecast at 1.16 MMT, up 3.5 percent from the MY 2019/20 estimate.

EXECUTIVE SUMMARY:

Egypt, with a population of 104 million and growing at about 2.3 percent, is the Arab world's most populous country and third largest country in Africa (Central Intelligence Agency – July 2020 estimate). It is a key export market for U.S.-origin soybeans. FAS Cairo (Post) forecasts Egypt's soybean imports in marketing year (MY) 2020/21 (October-September) at 3.8 million metric tons (MMT), up 100,000 metric tons (MT) from Post's MY 2019/20 estimate of 3.7 MMT, which remains unchanged from the U.S. Department of Agriculture's (USDA) official estimate. Post attributes Egypt's soybean imports increase to expanded local crush capacity. Local industry is producing high protein-based soybean meal for the domestic feed industry, as well as high-quality crude oil for the refining sector.

Egypt between MY 2014/15 and MY 2018/19 has imported 12.3 MMT of soybeans; the main suppliers have been the United States (6.85 MMT), Argentina (2.22 MMT), Ukraine (2.0 MMT), and Brazil (743,000 metric tons). U.S.-origin soybean exports to Egypt rose dramatically during the MY 2016/17 to MY 2018/19 period; accounting for 68.5 percent of the total soybeans being imported by Egypt. U.S. soybean exports to Egypt continue to show strong growth in MY 2019/20; through the first quarter, Egypt with 1.2 MMT in imports of U.S.-origin soybeans is 20 percent ahead today of last year's first quarter purchases. Egypt is the third largest global export market for U.S. soybeans.

Imports of U.S. soybeans for local crushing are displacing soybean meal imports. FAS Cairo forecasts Egypt's soybean meal imports in MY 2020/21 at 250,000 MT, down 175,000 MT from Post's MY 2019/20 estimate of 425,000 metric tons. The drop is due to a 29 percent increase in domestic soybean meal production in MY 2020/21, resulting from imports of 3.8 MMT of soybeans. FAS Cairo forecasts Egypt's soybean meal production in MY 2020/21 at 2.95 MMT, up 3.7 percent compared to Post's MY 2019/20 estimate of 2.84 MMT, that remains unchanged from the USDA official estimate.

The General Authority for Supply Commodities (GASC) is the sole government entity responsible for purchases of crude, edible oils. Crude vegetable oil purchases occur through local private crushers or multinationals in tenders. The oil is refined in government-affiliated refineries or on a contract basis with other private-sector companies. In Marketing Year 2018/19, the GASC imported 255,000 MT of sunflower oil and 170,000 MT of soybean oil. It also sourced 166,000 MT of soybean oil from local crushers. Between October 2019 and May 2020, the GASC has contracted through tenders the import 124,000 MT of sunflower oil and 222,500 MT of soybean oil. Through the tendering process the GASC is also sourcing from local crushers some 118,500 MT of soybean oil.

OILSEEDS:

SOYBEANS

PRODUCTION, SUPPLY AND DEMAND DATA STATISTICS:

Oilseed, Soybean	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	9	9	9	9	0	9
Area Harvested	9	9	9	9	0	9
Beginning Stocks	409	409	342	342	0	425
Production	25	25	25	25	0	25
MY Imports	3350	3350	3700	3700	0	3800
MY Imp. from U.S.	2700	2700	3000	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	3784	3784	4067	4067	0	4250
MY Exports	0	0	0	0	0	50
MY Exp. to EU	0	0	0	0	0	0
Crush	3400	3400	3600	3600	0	3700
Food Use Dom. Cons.	17	17	17	17	0	17
Feed Waste Dom. Cons.	25	25	25	25	0	25
Total Dom. Cons.	3442	3442	3642	3642	0	3742
Ending Stocks	342	342	425	425	0	458
Total Distribution	3784	3784	4067	4067	0	4250
CY Imports	3500	0	3700	0	0	0
CY Imp. from U.S.	2800	0	3000	0	0	0
CY Exports	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0
Yield	2.7778	2.7778	2.7778	2.7778	0	2.7778
(1000 HA), (1000 MT), (MT/HA)						

PRODUCTION

FAS Cairo (Post) forecasts Egypt's soybean area, as well as production in marketing year (MY) 2020/21 (October–September) to remain unchanged from the U.S. Department of Agriculture (USDA) official MY 2019/20 estimate of 9,000 hectares (HA) and 25,000 metric tons (MT). Soybean plantings occur in Middle and Upper Egypt (i.e., southern Egypt). Soybean intercropping alongside cotton is common.

Egypt's Ministry of Agriculture and Land Reclamation's (MALR) Agriculture Research Center (ARC) is the national authority responsible for the release of certified soybean seeds. The Central Administration for Seed Production (CASP) plans to distribute four certified soybean seed varieties in calendar year (CY) 2020 (January-December): Giza 21, Giza 22, Giza 25, and Giza 111.

CONSUMPTION

FAS Cairo forecasts Egypt's soybean consumption in MY 2020/21 at roughly 3.74 million metric tons (MMT), up 2.5 percent from post's earlier MY 2019/20 estimate of 3.64 MMT which remains unchanged from the USDA official projection.

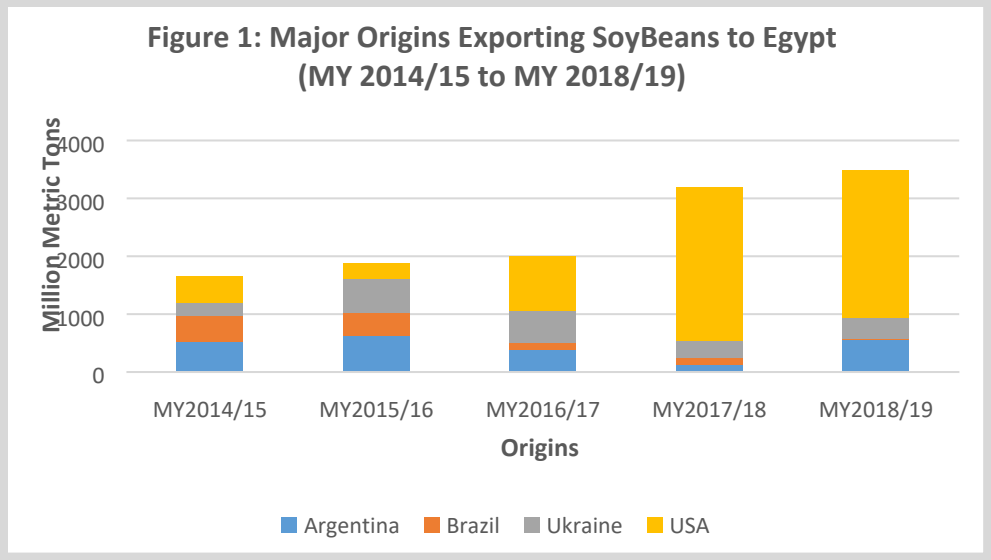
Egypt's domestic crush capacity in MY 2020/21 will reach about 11, 212 MT/day, up from 10,909 MT/day in marketing year 2019/20. The increase in domestic crush capacity is attributable to the establishment of new crushing facilities. Soybean crush operations in Egypt are dominated (over 80 percent) by SOYVEN (a Cargill-ADM joint venture) and the Alex Seeds Company.

Egypt's domestic consumption of soybeans for food use in MY 2020/21 will remain at roughly 17,000 metric tons. The food processing industry is increasing use of soybeans and soy-based ingredients to enhance the nutritional quality of bread, as well as legume-based foods (i.e., lentil soup and *falafel*).

TRADE

FAS Cairo forecasts Egypt's soybean imports in MY 2020/21 at 3.8 MMT, up 100,000 MT from Post's MY 2019/20 estimate of 3.7 MMT, which remains unchanged from USDA official estimate. Post attributes Egypt's soybean imports increase to expanded local crush capacity. Local industry is producing high protein-based soybean meal for the domestic feed industry, as well as high-quality crude oil for the refining sector.

Egypt between MY 2014/15 and MY 2018/19 imported some 12.3 MMT of soybeans. Egypt's main suppliers have been the United States (6.85 MMT), Argentina (2.22 MMT), Ukraine (2.0 MMT), and Brazil (743,000 metric tons). U.S.-origin soybean exports to Egypt rose dramatically during the MY 2016/17 to MY 2018/19 period; accounting for 68.5 percent of the total beans imported by Egypt (Figure 1).



SOURCE: Trade Data Monitor and FAS Cairo office research.

Marketing year (MY) 2018/19 was a record year for U.S.-origin soybean exports to Egypt. Out of 3.59 MMT in total soybean imports, some 2.54 MMT were U.S.-origin soybeans. Other soybean import origins in MY 2018/19 include Argentina (561,000 MT), Ukraine (377,000 MT), Uruguay (61,600 MT), and Paraguay (41,000 metric tons).

Post sees Egypt's imports of soybeans growing. Between October 2019 through February 2020, Egypt already imported some 1.94 MMT of soybeans; with 74 percent of the volume coming from the United States. During the October 2018 through February 2019 period, Egypt imported some 1.42 MMT of soybeans, with U.S.-origin soybeans accounting for over 95.3 percent of the volume.

Egyptian traders and crushers demand sustainability and quality of supply, both of which are key features of U.S.-origin soybean. Industry sources report that meals produced from U.S.-origin soybeans show better uniformity, less fiber, and are more nutritive than that of other origins.

SUNFLOWER SEEDS

PRODUCTION, SUPPLY AND DEMAND DATA STATISTICS:

Oilseed, Sunflower Seed	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	8	8	8	8	0	8
Area Harvested	8	8	8	8	0	8
Beginning Stocks	4	4	21	21	0	19
Production	19	19	19	19	0	19
MY Imports	100	100	67	75	0	80
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	123	123	107	115	0	118
MY Exports	4	4	3	3	0	3
MY Exp. to EU	0	0	0	0	0	0
Crush	90	90	85	85	0	95
Food Use Dom. Cons.	8	8	8	8	0	8
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	98	98	93	93	0	103
Ending Stocks	21	21	11	19	0	20
Total Distribution	123	123	107	115	0	118
CY Imports	60	0	60	0	0	0
CY Imp. from U.S.	3	0	3	0	0	0
CY Exports	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0
Yield	2.375	2.375	2.375	2.375	0	2.375
(1000 HA), (1000 MT), (MT/HA)						

PRODUCTION

FAS Cairo forecasts Egypt's sunflower seed planted area, as well as production in MY 2020/21 (October-September) remaining unchanged from the USDA official MY2019/20 estimate of 8,000 HA and 19,000 metric tons. Sunflower seeds are planted throughout the Delta region (i.e., northern Egypt) in May. Planting campaigns also occur in Middle and Upper Egypt but commence usually in June. Sakha 53 and Giza 102 are the two main sunflower seed varieties currently planted.

CONSUMPTION

FAS Cairo forecasts Egypt's sunflower seed consumption for crush in MY 2020/21 at 95,000 MT, up 10,000 MT higher than the USDA official 2019/20 estimate of 85,000 metric tons. The increase is attributable to an approximately six percent rise in imports.

Private-sector imports of sunflower seed go to sunflower oil extraction, as well as direct food consumption. The smaller crushers largely work with domestic sunflower seed production, utilizing less sophisticated crushing methods, and in proximity to Middle and Upper Egypt production sites.

FAS Cairo forecasts Egypt's sunflower seed consumption for food use in MY 2020/21 at 8,000 MT unchanged compared to the USDA official MY 2019/20 consumption for food use estimate. Sunflower seed for food use is normally roasted, seasoned, and sold in shell.

TRADE

FAS Cairo forecasts Egypt's sunflower seeds imports in MY 2020/21 at 80,000 MT, up by 5,000 MT from Post's MY 2019/20 estimate of 75,000 MT, and some 13,000 MT higher than the USDA official 2019/20 estimate of 67,000 metric tons. Post attributes the increase in imports to an anticipated increase in consumption driven by population growth.

MEALS:

SOYBEAN MEAL

PRODUCTION, SUPPLY AND DEMAND DATA STATISTICS:

Meal, Soybean	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	3400	3400	3600	3600	0	3700
Extr. Rate, 999.9999	0.7897	0.7897	0.7903	0.7903	0	0.7973
Beginning Stocks	602	602	233	233	0	301
Production	2685	2685	2845	2845	0	2950
MY Imports	218	218	425	425	0	250
MY Imp. from U.S.	10	0	10	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	3505	3505	3503	3503	0	3501
MY Exports	2	2	2	2	0	2
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	3270	3270	3450	3200	0	3200
Total Dom. Cons.	3270	3270	3450	3200	0	3200
Ending Stocks	233	233	51	301	0	299
Total Distribution	3505	3505	3503	3503	0	3501
(1000 MT), (PERCENT)						

PRODUCTION

FAS Cairo forecasts Egypt's soybean meal production in MY 2020/21 at 2.95 MMT, up 3.7 percent compared to Post's MY 2019/20 estimate of 2.84 MMT, that remains unchanged from the USDA official estimate. The increase in soybean meal production is due to expanded local crush capacity; meeting feed industry demand, and that of the refining sector production of oil for human consumption.

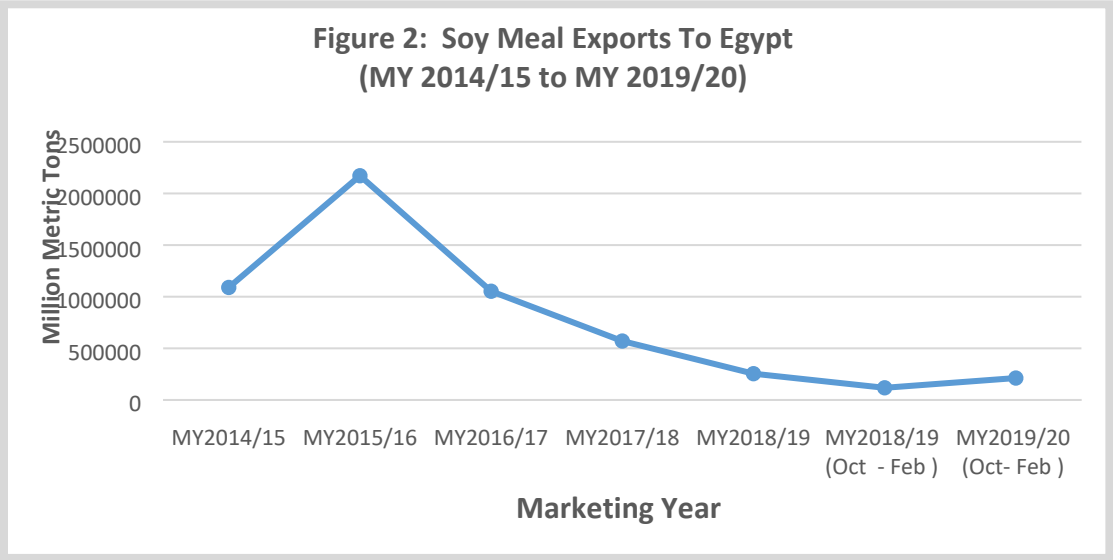
CONSUMPTION

FAS Cairo forecasts Egypt's soybean meal consumption in MY 2020/21 at 3.2 MMT, is unchanged from Post's MY 2019/20 estimate due to saturation of the market. Post is revising down soybean meal consumption in MY 2019/20 to 3.2 MMT from the USDA official estimate of 3.4 million metric tons. 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. The winter season is a critical period of the year for the spread of viral diseases; that requires extensive biosecurity management practices which many of these small farms cannot afford to implement.

TRADE

FAS Cairo forecasts Egypt's soybean meal imports in MY 2020/21 at 250,000 MT, down 175,000 MT from Post's MY 2019/20 estimate of 425,000 metric tons. The drop is due to increased domestic soybean meal production in MY 2020/21, resulting from imports of 3.8 MMT of soybeans.

Between October 2019 through February 2020, Egypt has imported 212,000 MT of soybean meal, mainly from Argentina. During the October 2018 through February 2019 period, Egypt imported 118,000 MT of soybean largely from Argentina. Soybean meal imports, despite this year's increase, will trend downward as local soybean crushers increase capacity (Figure 2).



SOURCE: Trade Data Monitor and FAS Cairo office research.

Egypt counts with 180 poultry feed mills; these supply 95 percent of the domestic market's poultry feed demand. The soybean meal component in poultry feed formulations is 25-35 percent.

The Egyptian aquaculture feed industry counts with 73 privately owned feed mills, providing 90 percent of aquaculture feed. Production is shifting away from conventionally pelleted feeds to extruded feeds. The latter now accounts for 65-70 percent of the aquaculture feed in the market. The most common fish feed formulations contain 35-40 percent soybean meal combined.

SUNFLOWER SEED MEAL

PRODUCTION, SUPPLY AND DEMAND DATA STATISTICS:

Meal, Sunflower Seed	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	90	90	85	85	0	95
Extr. Rate, 999.9999	0.4556	0.4556	0.4941	0.4941	0	0.4947
Beginning Stocks	10	10	11	11	0	11
Production	41	41	42	42	0	47
MY Imports	80	80	130	130	0	130
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	25	0	25	25	0	25
Total Supply	131	131	183	183	0	188
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	120	120	172	172	0	177
Total Dom. Cons.	120	120	172	172	0	177
Ending Stocks	11	11	11	11	0	11
Total Distribution	131	131	183	183	0	188
(1000 MT), (PERCENT)						

PRODUCTION

FAS Cairo forecasts Egypt's sunflower seed meal production in MY 2020/21 at 47,000 MT, up by 5,000 MT from Post's MY 2019/20 estimate, the latter of which is unchanged from USDA official estimate of 42,000 metric tons. Increased sunflower meal production is due to high imports of seeds for crushing.

CONSUMPTION

FAS Cairo forecasts Egypt's sunflower meal total consumption in MY 2020/21 at 177,000 MT, up 5,000 MT from our MY 2019/20 estimate. Post's MY 2019/20 estimate remains unchanged from the USDA official estimate of 172,000 metric tons.

TRADE

FAS Cairo forecasts Egypt's imports of sunflower seed meal in MY 2020/21 at 130,000 MT, largely unchanged compared to the USDA official MY 2019/20 estimate. Sunflower seed meal continues being mainly sourced from Russia and Ukraine.

OILS:

OVERVIEW

THE FOOD SUBSIDY PROGRAM

The Egyptian government in fiscal year (FY) 2019/20 (July-June) allocated Egypt pounds (EGP) 89 billion ($5.6 billion) for food subsidies. Of this amount, roughly EGP 51 billion ($3.24 billion) alone is earmarked for the bread subsidy program (EGP15.70 = $1.00). The other EGP 38 billion ($2.42 billion) is for supply commodities (i.e., rice, cooking oil, sugar, beef, chicken, cheese, etc.). Roughly some 64 million Egyptians make use of food subsidies delivered by the government as credits on SMART cards; these credits are redeemable monthly for food staples. A network of 1,250 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 27,000 partnered, private grocery stores.

The subsidy program in CY 2019 provides cash allowances of EGP 50.00 ($3.18) per beneficiary, up 233 percent from CY 2014's EGP 15.00 per beneficiary. The system today offers beneficiaries a choice of discounted food items (i.e., supply commodities such as beef, chicken, rice, and cheese); it offers a more diversified food basket similar in quality to that found in retail outlets. All SMART card beneficiaries are entitled to 1.0 liter of blended vegetable oil (EGP 17.00), one kilogram (kg) of sugar (EGP 8.50) and one kilogram of rice (EGP 8/kg) at subsidized prices.

Consumption, Oils – Soybean, Sunflower Seed, and Palm

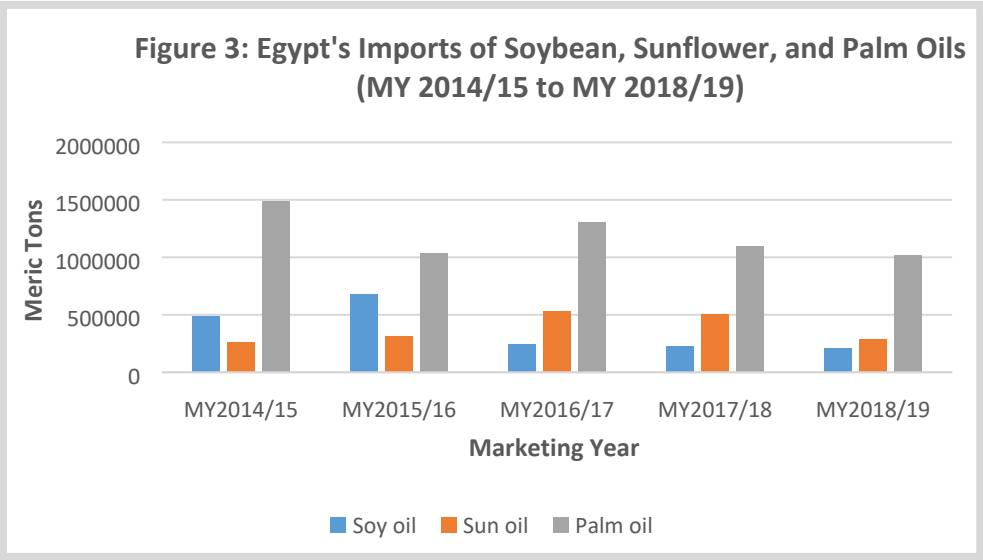
FAS Cairo forecasts Egypt's soybean, sunflower, and palm oil consumption for food and industrial use in MY 2020/21 at about 2.42 MMT, up 1.6 percent compared to the MY 2019/20 volume of 2.38 million metric tons. Of the total quantity consumed, palm oil accounts for about 48 percent of the volume, while soybean oil represents 33 percent and sunflower oil 19 percent.

Trade, Oils – Soybean, Sunflower Seed, and Palm

The General Authority for Supply Commodities (GASC) is the sole government entity responsible for purchases of crude, edible oils. Crude vegetable oil purchases occur through local private crushers or multinationals in tenders. These are refined in government-affiliated refineries or on a contract basis with other private-sector companies.

In marketing year 2018/19 the GASC imported 255,000 MT of sunflower oil and 170,000 MT of soybean oil. It also sourced 166,000 MT of soybean oil from local crushers. From October 2019 to May 2020, the GASC contracted through tenders the import of 124,000 MT of sunflower oil and 222,500 MT of soybean oil. Through the tendering process the GASC is also sourcing from local crushers some 118,500 MT of soybean oil during the same period.

From MY 2014/15 to MY 2018/19, Egypt's imports of palm oil, sunflower oil and soybean oil have declined from 2.2MMT in MY 2014/15 to 1.5 MMT in MY 2018/2019. During this period, palm oil imports were 5.94 MMT, while sunflower oil come in at 1.89 MMT and soybean oil at 1.84 million metric tons (Figure 3).



SOURCE: Trade Data Monitor and FAS Cairo office research.

TARIFFS:

Egypt does not impose import tariffs on soybeans, sunflower seed, linseed, palm kernel, and sesame seed. Duties on oilseed meal and cake are five percent. Duties on bulk crude and refined soybean and sunflower oil are two percent. Crude cottonseed and palm oil duties are zero.

SOYBEAN OIL

PRODUCTION, SUPPLY AND DEMAND DATA STATISTICS:

Oil, Soybean	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	3400	3400	3600	3600	0	3700
Extr. Rate, 999.9999	0.1824	0.1824	0.1822	0.1822	0	0.1827
Beginning Stocks	107	107	50	50	0	131
Production	620	620	656	656	0	676
MY Imports	83	83	150	250	0	150
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	810	810	856	956	0	957
MY Exports	25	25	25	25	0	25
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	10	10	10	10	0	10
Food Use Dom. Cons.	725	725	770	790	0	800
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	735	735	780	800	0	810
Ending Stocks	50	50	51	131	0	122
Total Distribution	810	810	856	956	0	927
(1000 MT), (PERCENT)						

PRODUCTION

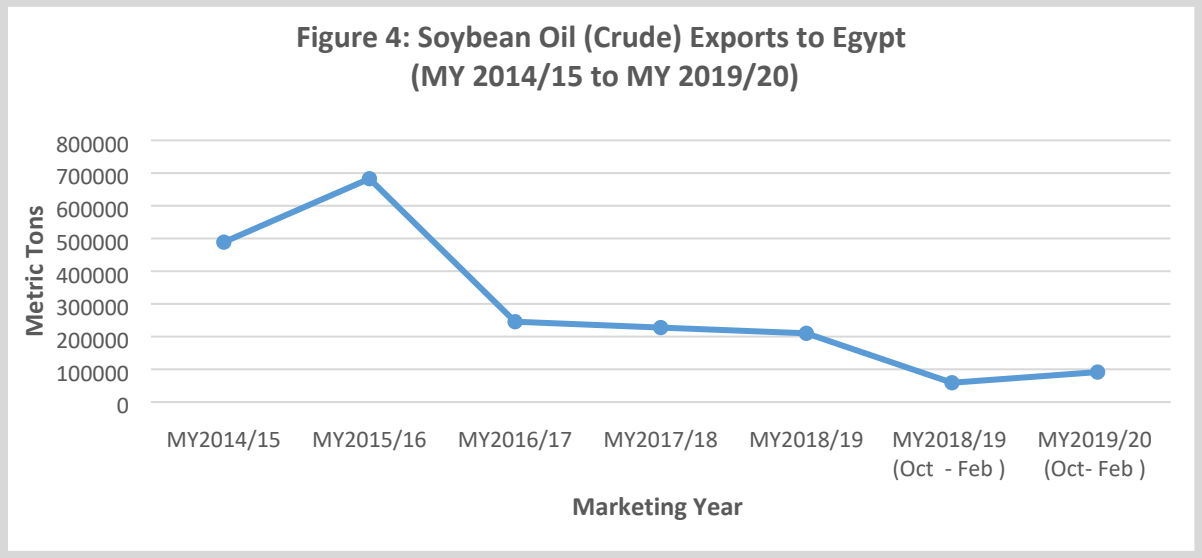
FAS Cairo forecasts Egypt's soybean oil production in MY 2020/21 at 676,000 MT, up three percent from the MY 2019/20 estimate. The increase in soybean oil production reflects higher crushing activity. Post estimate of soybean oil production in MY 2019/20 remains unchanged from the USDA official estimate of 656,000 metric tons.

CONSUMPTION

FAS Cairo forecasts soybean oil consumption to reach about 810,000 MT in MY 2020/21, up 10,000 MT from the MY 2019/20 estimate of 800,000 metric tons. The latter is revised up from the USDA official estimate of 780,000 MT due to a greater volume of soybean oil being channeled to the country's subsidy program. Contributing also to the increased consumption of soybean oil is the inclusion of private-sector suppliers of higher-quality cooking oils in the MoSIT\HCFI supply commodities distribution system

TRADE

FAS Cairo forecasts Egypt's soybean oil imports in MY 2020/21 at 150,000 MT, down by 100,000 MT from the MY 2019/20 estimated volume of 250,000 MT due to increased crushing capacities capable of producing greater volumes of soybean oil for blending with other oils. Post is revising the MY 2019/20 estimate up from the USDA official estimate of 150,000 metric tons (Figure 4). The revision is premised on a short-term increase in imports driven by increased domestic consumption of soybean oil, at a time when domestic production fell slightly short.



SOURCE: Trade Data Monitor and FAS Cairo office research.

FAS Cairo forecasts Egypt's soybean oil re-exports in MY 2020/21 to remain unchanged from the MY 2019/20 estimate of 25,000 metric tons.

SUNFLOWER SEED OIL

PRODUCTION, SUPPLY AND DEMAND DATA STATISTICS:

Oil, Sunflower Seed	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	90	90	85	85	0	95
Extr. Rate, 999.9999	0.4111	0.4111	0.4118	0.4118	0	0.4105
Beginning Stocks	34	34	41	41	0	56
Production	37	37	35	35	0	39
MY Imports	480	480	520	420	0	420
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	551	551	596	496	0	515
MY Exports	20	20	20	20	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	490	490	515	420	0	450
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	490	490	515	420	0	450
Ending Stocks	41	41	61	56	0	65
Total Distribution	551	551	596	496	0	515
(1000 MT), (PERCENT)						

Production

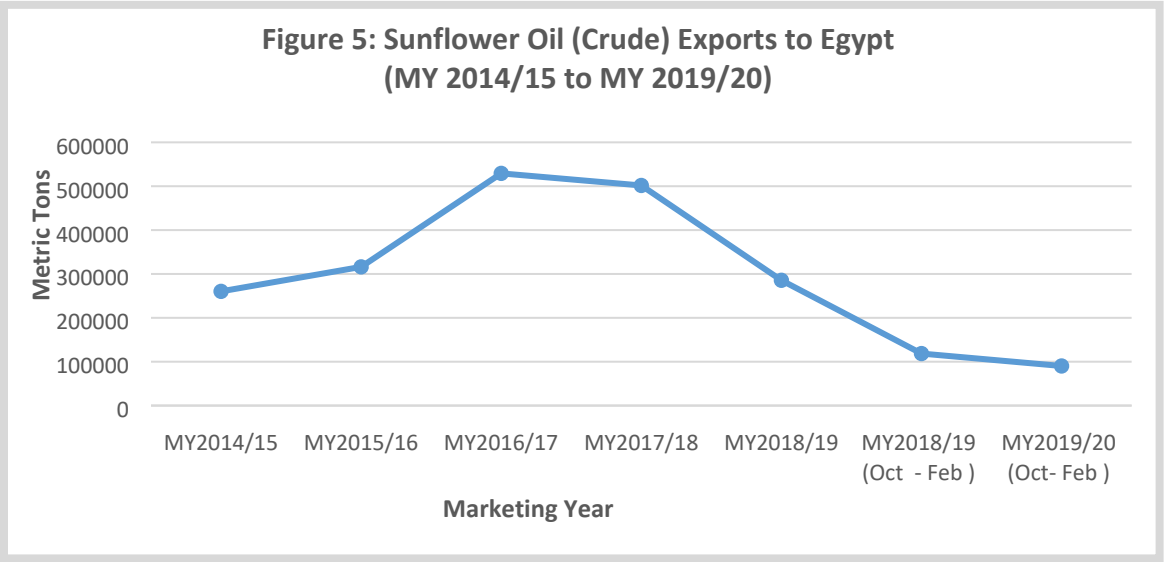
FAS Cairo forecasts Egypt's sunflower seed oil production in MY 2020/21 at 39,000 metric tons. This volume is up by 4,000 MT from the MY 2019/20 estimate due to increased imports and crushing.

CONSUMPTION

FAS Cairo forecasts Egypt's sunflower oil consumption in MY 2020/21 at 450,000 MT, up seven percent from the MY 2019/20 estimate of 420,000 metric tons. The latter is revised down from the USDA official estimate of 515,000 MT due to greater amounts of soybean oil being channeled to the country's subsidy program in lieu of sunflower oil. Post anticipates higher levels of sunflower oil consumption in the future by more health-conscious urban middle- and higher-income consumers.

Trade

FAS Cairo forecasts Egypt's sunflower oil imports in MY 2020/21 at 420,000 MT, unchanged compared to Post's MY 2019/20 estimate (Figure 5). Post's MY 2019/20 estimate is revised down to 420,000 MT, some 100,000 lower than USDA official Estimate by 520,000 MT as traders and importers are becoming more price sensitive, at a time when both the public- and private-sectors are opting for more affordable soybean oil.



SOURCE: Trade Data Monitor and FAS Cairo office research.

PALM OIL

PRODUCTION, SUPPLY AND DEMAND DATA STATISTICS:

Oil, Palm	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	0	0	0	0	0	0
Beginning Stocks	301	301	146	146	0	106
Production	0	0	0	0	0	0
MY Imports	1023	1023	1125	1125	0	1165
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1324	1324	1271	1271	0	1271
MY Exports	3	3	5	5	0	5
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	75	75	75	75	0	75
Food Use Dom. Cons.	1100	1100	1085	1085	0	1085
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1175	1175	1160	1160	0	1160
Ending Stocks	146	146	106	106	0	106
Total Distribution	1324	1324	1271	1271	0	1271
CY Imports	1050	0	1250	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	3	0	5	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0
Yield	0	0	0	0	0	0
(1000 HA), (1000 TREES), (1000 MT), (MT/HA)						

Consumption

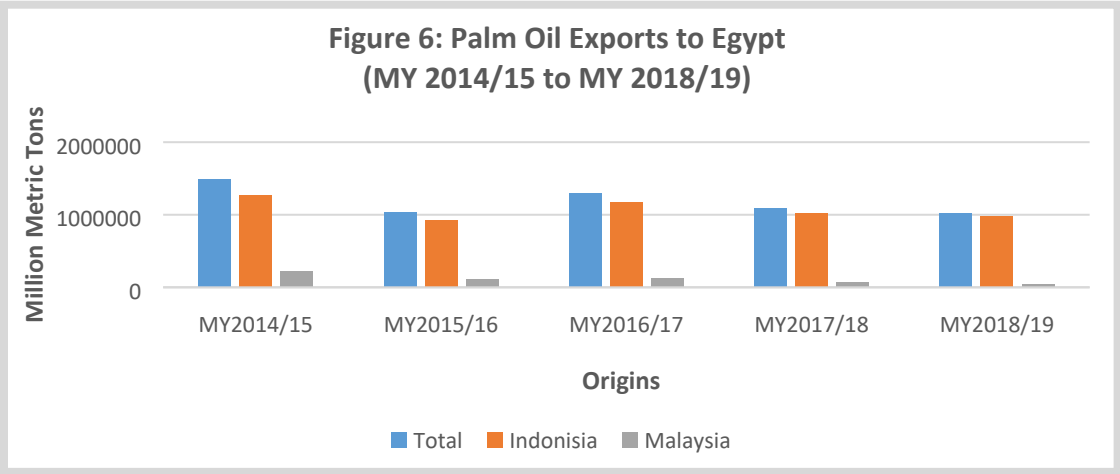
FAS Cairo forecasts Egypt's palm oil consumption in MY 2020/21 (October-September) at 1.16 MMT, unchanged compared to Post's MY 2019/20 estimate and the USDA official estimate.

We estimate that 93 percent of palm oil goes to human food consumption; vegetable shortenings account for 50 percent. Hotels, restaurants, catering, and fast food chains utilize shortening extensively. Production of vegetable ghee accounts for 40 percent of palm oil use. Margarine accounts for three percent of use, mainly by private bakeries and patisseries.

TRADE

FAS Cairo forecasts Egypt's imports of palm oil in MY 2020/21 at 1.16 MMT, up 3.5 percent from post's MY 2019/20 estimate. We attribute the increase to a four-to-five percent growth in the food-processing sector (a major consumer of palm oil).

The marketing year 2018/19 import estimate of 1.12 MMT remains unchanged from the USDA official estimate. Egypt's main supplier of palm oil is Indonesia, accounting for over 90 percent of total volume of palm oil imports during the last five marketing years (Figure 6). FAS Cairo forecasts MY 2020/21 palm oil re-exports at 5,000 MT, largely in line with the USDA official MY 2019/20 estimate.



SOURCE: Trade Data Monitor and FAS Cairo office research.

Attachments:

No Attachments