

Voluntary Report – Voluntary - Public Distribution

Date: December 07,2020

Report Number: EG2020-0055

Report Name: Overview of Egypt's Table Grape Sector

Country: Egypt

Post: Cairo

Report Category: Agricultural Situation, Agricultural Trade Office Activities, Agriculture in the News, Fresh Deciduous Fruit

Prepared By: Shaza Omar, Senior Agriculture Specialist and Olutayo O. Akingbe, Agriculture Attaché

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

Report Highlights:

Table grapes is one of the most important fruit produced in Egypt, second only to citrus in terms of production quantities. Grape cultivation is spread geographically from Alexandria in the north to Aswan in the south, which – combined with the production of early and late ripening grapes – enables the prolonged availability of fresh table grapes in the market from May to November. In MY 2020/2021, commercial table grape production in Egypt is forecast to reach 1.42 MMT while exports are estimated to reach 170,000 MT in MY 2020/2021. The European Union remains the major importer of Egyptian table grapes.

Executive Summary:

Commercial table grape production in Egypt is forecast to reach 1.42 million metric tons (MMT) in marketing year (MY) 2020/2021 (October-September), a 2.5 percent increase over the previous year. Domestic consumption of fresh table grapes remains stable and is forecast at 1.37 MMT in MY 2020/2021. Exports are forecast to reach 170,000 MT in MY 2020/2021. The United Kingdom continued to be the top export market in calendar year (CY) 2019 accounting for 23 percent of total exports. Egypt is seeking table grape access to new markets, namely Argentina and New Zealand.

Grapes, Fresh Table Market Year Begins Egypt	2018/2019		2019/2020		2020/2021	
	Dec 2018		Dec 2019		Dec 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	0	48000	0	49200	0	50400
Area Harvested (HA)	0	46320	0	47520	0	48720
Commercial Production (MT)	0	1350000	0	1385000	0	1420000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	0	1350000	0	1385000	0	1420000
Imports (MT)	0	110000	0	125000	0	120000
Total Supply (MT)	0	1460000	0	1510000	0	1540000
Fresh Dom. Consumption (MT)	0	1325000	0	1360000	0	1370000
Exports (MT)	0	135000	0	150000	0	170000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	0	1460000	0	1510000	0	1540000
(HA) ,(MT)						

Unit: Metric Tons

Production:

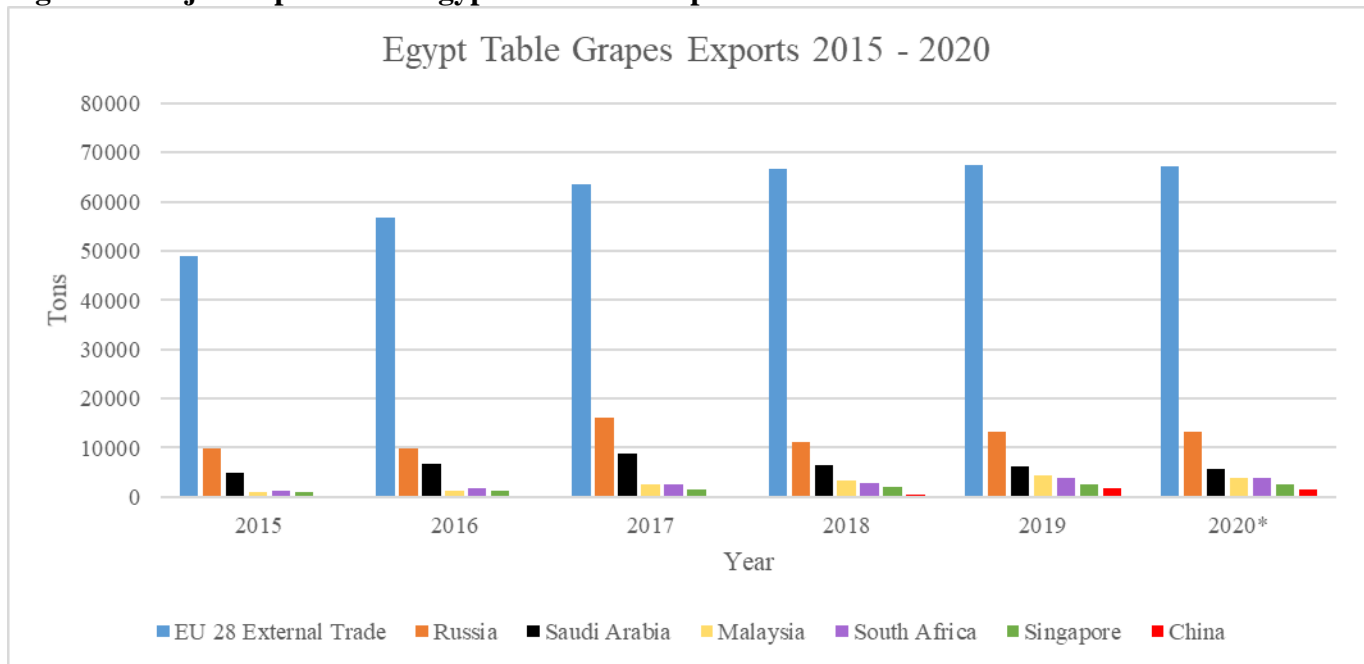
Commercial table grape production in Egypt is forecast to reach 1.42 MMT in MY 2020/2021 (October-September), a 2.5 percent increase over the previous year. Favorable weather conditions, new technologies, and growing demand are driving this rise in production. Grapevines are among the most suitable fruit crops for sandy soils and newly reclaimed land, as well as for the older Egyptian land traditionally farmed next to the Nile river. For this reason, cultivated areas of table grapes exist across the country. Estimates of table grapes production in Egypt represents only the commercial use, and there is no non-commercial production.

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

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

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

Figure 1: Major Importers of Egyptian Table Grapes



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

*2020 figures are from January - October

Producers state that grapes are one of the most expensive crops to cultivate compared to other crops. In Egypt, one hectare of grapes would initially cost approximately \$15,000, not including land costs. However, investments for producing high value varieties can offer good returns, especially for the producers who are targeting export markets. Export returns are significantly high and rewarding.

Figure 2: Grape production in Beheira Governorate, Egypt



Source: FAS Cairo Office field visit September 2020

Consumption:

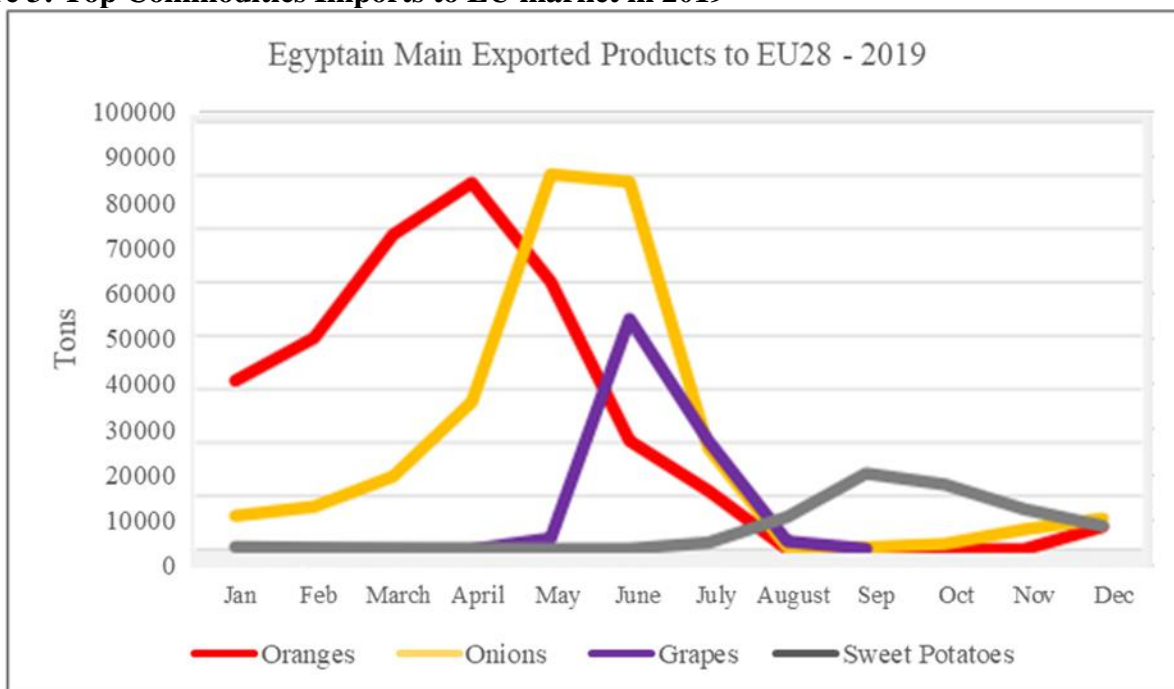
Domestic consumption of fresh grapes is forecast at 1.37 MMT in MY 2020/2021, a slight increase from the previous year at 1.36 MMT. The local grape market is an important market for producers because grape imports are not very high and losses are quite considerable, which impacts the total availability. Large-scale, export-oriented producers and small-scale grape farmers who produce mainly for the local market experience wide disparities in the access to and the use of production resources, finance, and technology. Moreover, inadequate research and development, lack of cold chain and marketing infrastructures, and insufficient coordination among value chain stakeholders pose risks to grape quality and productivity, thus limiting exports only to producers who can make large investments.

Trade:

FAS Cairo forecasts exports to reach 170,000 MT in MY 2020/2021, 13 percent higher than the previous year. The United Kingdom was the top export destination in CY 2019, accounting for 23 percent of total exports. Other important markets are the Netherlands, Russia, and Germany with 21, 12, and 6 percent of the export market share, respectively. Fresh table grapes are one of the top produce exports by value for Egypt with 2020 export value expected to reach \$250 million (see Figure 3). In 2020, grape prices in the export market averaged \$1,700/MT.

Egypt imports very few quantities of table grapes. In MY 2020/2021, imports are expected to remain low at 120,000 MT, a slight decrease from previous year at 125,000 MT. Egypt mainly imports table grapes from South Africa, Spain, Australia, Italy, and few quantities from the United States. Typically, the imports would cover the window where there is no domestic production. The imported table grapes are usually sold at very high prices at specialty retail stores.

Figure 3: Top Commodities Imports to EU market in 2019



Source: AEC

Policy:

Egyptian table grapes have access to numerous markets, including the United States, the European Union, Canada, Russia, China, and Gulf countries. The Egyptian Central Administration for Plant Quarantine (CAPQ) along with the Agriculture Export Council (AEC) work together to comply with the phytosanitary regulations of trading partners, enabling Egyptian grapes to access a wide range of international markets. CAPQ is currently working on access to the Argentina and New Zealand markets, however the outbreak of the COVID-19 pandemic put everything on hold, delaying the arrangement of required field visits. These new markets once opened will help absorb any increased production. The AEC and CAPQ also worked together to develop a list of registered lands and pack houses where these producers and facilities are only eligible to export after complying with an array of requirements. This system enhances the quality of the production targeted for exports and strengthens the compliance with phytosanitary requirements of the importing countries.

Attachments:

No Attachments.