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Report Highlights:

Egypt's sugar production in marketing year 2024/25 (October to September) is forecast to reach 2.6 million metric tons, down 110,000 tons from USDA official MY2023/24 production estimates on lower cane sugar production. In MY2023/24, Egyptian officials responded to a fall in world production of sugar which raised global sugar prices, accompanied by multiple devaluations of the Egyptian pound, which further limited Egypt's ability to import from global markets. Additionally, local producers marketed their crops to molasses producers, squeezing available feedstocks for state-owned sugar cane mills. Volatile energy markets continue to have knock-on effects for world benchmark prices, domestic cane production costs, processing costs, and retail prices.

Executive Summary

Agriculture in Egypt is dependent on irrigation. Egypt is one of a handful of countries producing sugar cane and beets. The United Nations Food and Agriculture Organization (FAO) forecasts global sugar production in MY2023/24 to fall by 3.5 million metric tons, or 2 percent, compared MY2022/23. Researchers attribute recent El Niño weather patterns, rising global temperatures, as well as higher pest and disease risks to climate change.

FAS Cairo projects MY2023/24 sugar production to reach 2.6 million metric tons, raw value, down 110,000 tons from USDA official estimates on lower cane sugar production. Combined cane and sugar beet production accounts for less than 10 percent of Egypt's overall arable land. Sugar beets represent the largest share of national sugar-bearing crop production. The share of sugar cane supplying Egypt's sugar production is now less than 30 percent of total sugar producing crop production, and falling, as government support shifts to expand sugar beet production.

Egypt's agricultural and trade policies related to sugar are defined by direct and indirect interventions in the national sugar market, addressing several related and often competing priorities. Today, cane production in Upper Egypt is more productive than beet production and requires less energy to refine and process into refined white sugar. However, beet production is less water-intensive and suitable for planting on newly reclaimed lands, freeing up arable land along the Nile River for other crops.

Following its accession to the World Trade Organization (WTO) and commitments under several International Monetary Fund Structural Adjustment Programs, Egypt has liberalized parts of its agricultural sector, including market reforms in its sugar sector allowing growers to choose how to market their crops. In Upper Egypt, in recent years, a growing share of sugar cane growers are selling their harvested cane to molasses producers, lowering available supplies for state-owned mills, and contributing to higher refined sugar prices in rural areas of Upper Egypt.

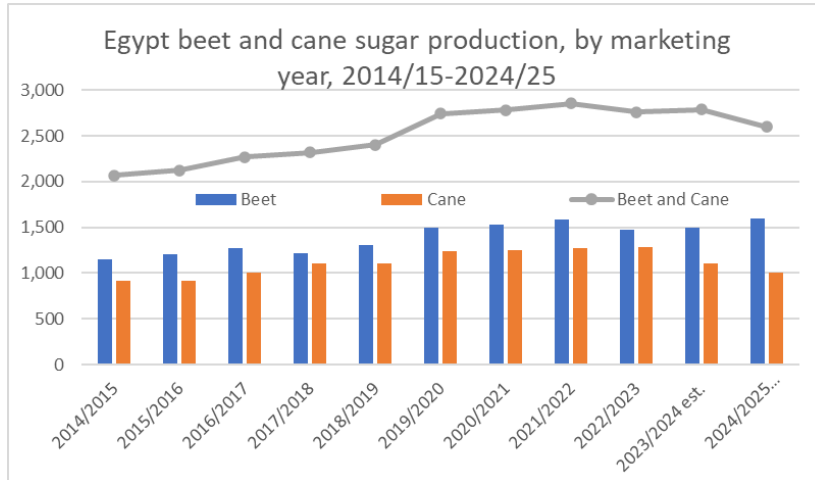
Nevertheless, the Egyptian sugar market remains heavily subsidized through fixed procurement pricing and a large government distribution program, resulting in structural market vulnerabilities to global markets. The Government of Egypt, Ministry of Supply and Industrial Trade (MoSIT), Holding Company for Food Industries (HCFI), Egypt Sugar & Integrated Industries Company (ESIIC) and several major private enterprises produce nearly all of Egypt's sugar supplies produced from domestic cane and beets. Egypt's General Authority for Supply and Commodities (GASC) administers public tenders, on behalf of the ESIIC, to meet the approximately 1.0-million-ton shortfall in domestic production. Egypt continues to intervene in markets when consumer prices spike through social protection programs and in-kind food distribution initiatives. When prices are low, Egyptian state-owned enterprises offer loans to support cane and beet producers.

Report Notes

The marketing year (MY) for sugar cane is December to November, while the sugar marketing year is considered October-September. For the purposes of this report, refined sugar volumes have been converted raw cane sugar to using a factor of 1.07. The report references land area estimates in hectares and feddans, a local measure of area defined by 4,200 square meters, or 1.05 acres.

Production

FAS Cairo (Post) forecasts sugar production in marketing year (MY) 2024/25, the period from October 2024 to September 2025, to rise to 2.6 million metric tons (MMT), raw value, down 110,000 tons from MY2023/24 USDA official estimates on lower cane sugar production. MY2024/25 centrifugal cane sugar production is forecast to yield 1.0 million metric tons, raw value, produced by government and private mills, down 110,000 tons from MY2023/24 on lower prices from centrifugal sugar producers.



Source: PSD Online and Post Forecast

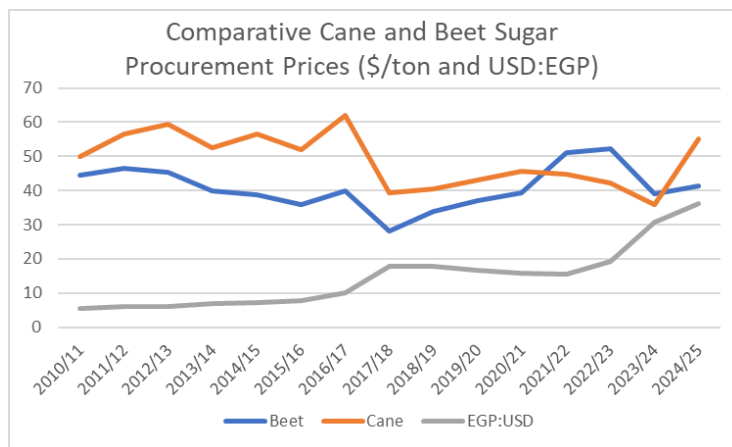
Sugar, Centrifugal Market Year Begins Egypt	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	90	90	30	155	20	845
Beet Sugar Production (1000 MT)	1475	1600	1500	1500	1600	1600
Cane Sugar Production (1000 MT)	1285	1285	1100	1100	1100	1000
Total Sugar Production (1000 MT)	2760	2885	2600	2600	2700	2600
Raw Imports (1000 MT)	900	900	1000	1900	1100	1500
Refined Imp.(Raw Val) (1000 MT)	30	30	60	60	30	60
Total Imports (1000 MT)	930	930	1060	1960	1130	1560
Total Supply (1000 MT)	3780	3905	3690	4715	3850	5005
Raw Exports (1000 MT)	430	430	100	300	200	300
Refined Exp.(Raw Val) (1000 MT)	0	0	0	0	0	0
Total Exports (1000 MT)	430	430	100	300	200	300
Human Dom. Consumption (1000 MT)	3320	3320	3570	3570	3600	3750
Other Disappearance (1000 MT)	0	0	0	0	0	0
Total Use (1000 MT)	3320	3320	3570	3570	3600	3750
Ending Stocks (1000 MT)	30	155	20	845	50	955
Total Distribution (1000 MT)	3780	3905	3690	4715	3850	5005
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Cane:

Sugar Cane for Centrifugal Market Year Begins Egypt	2022/2023		2023/2024		2024/2025	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	137	137	137	130	0	125
Area Harvested (1000 HA)	136	136	136	126	0	124
Production (1000 MT)	14305	14305	14305	14305	0	13043
Total Supply (1000 MT)	14305	14305	14305	14305	0	13043
Utilization for Sugar (1000 MT)	14305	14305	14305	14305	0	13043
Utilizatr for Alcohol (1000 MT)	0	0	0	0	0	0
Total Utilization (1000 MT)	14305	14305	14305	14305	0	13043
(1000 HA) ,(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

MY2024/25 sugar cane harvested area is forecast to fall to 125,000 hectares on low prices set by government-affiliated centrifugal sugar mills.

Nearly all of Egypt's sugar mills and refining capacity is located near major production areas in Qena, Aswan, Luxor, Minya, and Sohag Governates. During the cane harvest period from December to June, Egypt's sugar cane mills in Upper Egypt operate 24 hours a day for a period of 140 consecutive days without stopping. Sugar cane areas near the Toshka Lakes region and Wadi Al-Naqra remain in early research stages of development. Rapid urban and industrial development on prime agricultural land continues to advance more rapidly than Egypt's land reclamation efforts.¹



Sources: USDA estimates, World Bank, Development Indicators

Egypt's Sugar Crops Institute reports that high producer costs, and fixed procurement prices at MoSIT-affiliated mills, sugar cane growers are reluctant to continue planting the crops. As a result, total sugar cane harvested area remains at less than 10 percent of total arable land in Egypt. Sugar cane is planted

¹ <https://www.sciencedirect.com/science/article/pii/S0197397522000704#bib7>

with complementary subsistence crops including broad bean (*Vicia faba*), tomatoes, and onions, and competes for arable area with rice, cotton, and maize. Climatic conditions in Upper Egypt, as well as parts of Middle Egypt, are ideally suited to produce sugar cane. Vegetative growth is optimal in May and September. Sugar cane requires little upkeep, accommodating off-farm employment income.

In response to comparatively low government-set procurement prices, Egypt’s sugar cane growers are shifting their marketing channels and planting decisions away from centuries-old centrifugal sugar production to direct sales to small blackstrap molasses producers.² In February 2024, molasses mills offered \$3,236 per ton (100,000 EGP per ton) compared to less than \$1,699 per ton (52,500 EGP per ton) at a MoSIT-affiliated mill.³ The indicative prices offered by government-owned mills are not competitive when compared to global prices or private offers. Even after ESIIC refiners raised procurement prices to \$41 to \$58 per ton (1,350 to 1,900 EGP) with premiums for earlier delivery dates, growers still opted for higher marketing prices from private molasses producers.

Government Procurement Prices Announced in February 2024⁴				
Commodity	Price/ha	Price/ha	USD/ton	EGP/ton
Wheat	\$1,674.17	54,748	\$254.82	8,333
White Corn	\$2,230.86	68,220	\$294.31	9,000
Yellow Corn	\$2,202.06	72,010	\$290.51	9,500
Soybeans	\$1,557.75	50,940	\$550.44	18,000
Sunflower Seeds	\$1,146.75	37,500	\$458.70	15,000
Upper Egypt Cotton	\$4,238.20	288,600	\$6,116	200,000
Sugarcane	\$615.05	29,400	\$41.84	\$2,000
Sugar beet	\$461.29	22,050	\$31.38	\$1,500
Rice, Milled*	\$7,183.24	234,900	\$825.66	27,000

Source: Local media and Post estimates, foreign exchange rates from Feb 2024

The Government of Egypt provides limited direct farm support for water-intensive crops, like sugar, compared to other crops in Upper Egypt.⁵ The Agricultural Bank of Egypt (ABE) issues “Meeza” cards to farmers to improve distribution of subsidy payments and lower administrative costs.⁶ The Ministry of Agriculture is focused on raising the agricultural water productivity of sugar cane using propagated plant material rather than seed to conserve water early in the production cycle. However, state-owned sugar producers provide sugar cane growers several marketing advantages, including access to the Aldecovel railway network to deliver crops to mills.⁷ The ABE offers growers financing in partnership with ESSIC-affiliated sugar mills to support them as it may take years for growers to fully realize profits. In

² <https://artsandculture.google.com/story/asal-aswed-egyptian-black-honey-nawaya/UwWB9VInrVUZmA?hl=en>

³ <https://raseef22.net/english/article/1096363-the-random-agricultural-decisions-that-led-to-egypts-sugar-crisis>

⁴ FAS Cairo research * Rice prices are entirely market-based. The government restricts planted area devoted to rice as a water-conservation measure.

⁵ Secretariat Report, Egypt, Trade Policy Report, World Trade Organization, WT/TPR/S/367/Rev.1, 2018

⁶ <https://english.ahram.org.eg/News/404984.aspx>

⁷ “Sugar and Iron: Khedive Ismail’s sugar factories in Egypt and the role of French engineering companies (1867-1875),” Architecture Beyond Europe, <https://journals.openedition.org/abe/2498#quotation>

2023, the ABE financed a total of \$51.9 million (1.6 billion EGP), or about 72 percent of its total contract farm portfolio, to sugar cane farm credit programs.⁸

Beets:

Sugar Beets Market Year Begins Egypt	2022/2023		2023/2024		2024/2025	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	277	277	282	282	0	285
Area Harvested (1000 HA)	275	275	280	280	0	282
Production (1000 MT)	10590	10590	10780	10780	0	10895
Total Supply (1000 MT)	10590	10590	10780	10780	0	10895
Utilization for Sugar (1000 MT)	10590	10590	10780	10780	0	10895
Utilizatn for Alcohol (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	10590	10590	10780	10780	0	10895
(1000 HA) ,(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Post forecasts MY2024/25 beet production to rise to 10.9 million tons, up 115,000 tons from MY2023/24 USDA official estimates on expanded harvested area. ESIIC initiated restructuring efforts and authorized expanded sugar beet production using aquifer-fed irrigated fields in reclaimed desert areas.⁹ It is still unclear if expanded area will offset falling yields.

Post forecasts MY2024/25 sugar from beet production to reach 1.6 million metric tons, raw value on expanded harvested area. Sugar beet production is widely distributed across desert and reclaimed lands in Egypt. Kefr El-Sheikh Governate in the Nile Delta accounts for about 20 percent of total production. Weather conditions in the Delta area were stable during the 2023/24 beet-growing season, promoting sugar development. Sugar beet pests are common and threaten crop quality, lowering milling yields. In MY2022/23, Egypt's sugar beet sector faced yield losses due to Rhizomania disease, which afflicts the roots and limits access to water, causing yield losses. In December 2023, Egypt's Ministry of Agriculture, Sugar Crops Export Council forecast MY2024/25 sugar beet planted area to reach 235,200 hectares (560,000 feddans), down 5.7 percent from 249,480 hectares (594,000 feddans) in 2023/24 as growers shift production to wheat. In MY2023/24, Egyptian officials set a target to produce 140,000 metric tons of sugar from beets.¹⁰

⁸ <https://www.dailynewsegypt.com/2023/07/15/agricultural-bank-of-egypt-offers-egp-69-4bn-worth-loans-to-538272-customers-in-1h-2023/>

⁹ Fernández-de-Pinedo, Nadia. Castro, Rafael. Pretel, David. (2020) Technology transfer networks in the first industrial age: the case of Derosne & Cail and the sugar industry (1818–1871). *Business History*, 62. DOI:

¹⁰ <https://www.businesstodayegypt.com/Article/1/4250/Egypt-to-produce-140K-tons-of-sugar-during-local-sugar>

Egypt's sugar beet harvest begins in February and ends in March. The Agricultural Bank of Egypt initiated a new farm credit arrangement offering growers early season financing for farm inputs based on a commitment to deliver sugar beets to the Fayoum Sugar Works Company at harvest time.¹¹ Egypt does not produce beet seeds locally due to requirements in terms of temperature and sunlight. It relies almost entirely on planting seed stocks from Europe. Egypt's MY2024/25 sugar beet crop is forecast to yield 1.6 million tons of raw beet sugar, unchanged from MY2023/24 USDA official estimates.

Cane Mill and Beet Processor Use: MoSIT operates the Holding Company for Food Industries (HCFI) and the Egypt Sugar & Integrated Industries Company (ESIIC) which was formed in 1963 when the government nationalized the eight private sugar mills that were operating at that time. Today, ESIIC operates 15 sugar mills, including eight sugarcane refiners and seven sugar beet processors, plus one under development. All eight sugar cane refiners are state-run companies affiliated with HCFI.

In January 2024, ESIIC partly shuttered sugar cane processing operations at its Abu Qurqas complex due to challenges securing sufficient feedstocks drawn from the Minya Governate region. Normal annual feedstock deliveries of sugar cane exceeded 750,000 tons; however, in 2024 feedstock deliveries fell to a trickle, totaling just 10,000 tons in 2024. In MY2023/24, the complex processed sugar cane feedstock a total of 90,000 tons, causing economic losses valued at \$2,383 per ton (112 million EGP). In comparison, the Delta Sugar Company reported financial earnings after interest, taxes, depreciation, and expenses of about \$139 per ton (\$0.063 per lbs.) of refined beet sugar processed, including revenues from molasses and beet dregs in 2023.¹²

Consumption

Post forecasts MY 2024/25 total sugar domestic consumption at 3.75 million metric tons, up 350,000 metric tons from MY2023/24 official USDA estimates on population growth and higher demand for calories from sweeteners, sugar-containing drinks, and confectionary products. Post estimates that in MY2023/24 Egypt's domestic consumption will grow to 3.6 million tons, up 2.4 percent due to Egypt's rapidly changing demographics, urbanization, and dietary habits. Egypt's large and growing population relies on sugar as an important source of calories and food security. Many Egyptians are also adopting new dietary habits further driving a surge in sugar consumption.¹³ Egypt's population continues to rapidly expand due to natural population growth and recent inflows of economic and political refugees from neighboring nations across the region.¹⁴

Today, Egypt is one of the world's highest per capita consumers of sugar. According to the Organization for Economic Cooperation and Development, Egypt consumes 51.4 kg per capita, nearly double the

¹¹ <https://egy-africa.com/en/2022/08/15/egypts-agricultural-bank-finances-sugar-beet-farmers-in-fayoum/>

¹² https://static.mubasher.info/File.Mix_Announcement_File/CD494764-562B-42EC-B681-2CB9571CA288.pdf

¹³ <https://egyptssp.ifpri.info/2023/01/03/food-price-shocks-and-diets-among-poor-households-in-egypt/>

¹⁴ "Sudan Crisis Provides Further Blow to Egyptian Food Prices," Voluntary GAIN report, EG2023-0008. May 10, 2023, https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Sudan%20Crisis%20Provides%20Further%20Blow%20to%20Egyptian%20Food%20Prices_Cairo_Egypt_EG2023-0008.pdf

global average of 26.7 kilograms.¹⁵ Although wheat constitutes the majority of caloric (energy) intake, sugar accounts for 10 to 20 percent of the total,¹⁶ much of it as sugar added to tea and coffee exceeding World Health Organization guidelines for adult sugar intake of 10 percent of total energy intake, or about 10 kg per year.¹⁷

Sugar Tax: In 2016, Egypt implemented a tax on 8 percent on all non-alcoholic beverages, excluding non-carbonated unsweetened water and plain milk.

Sugar Shortages and Price Spikes

For almost two years, Egypt's inflation accelerated to double digits as macroeconomic and geopolitical shocks caused foreign exchange shortages. The economic impacts are moderating but continue to reverberate today. Although still high, Egypt's annual urban inflation rate reduced to 33.3 percent in March 2024 from 36 percent in February, with food inflation reducing from 50.9 percent in February to 45 percent in March, according to CAPMAS.

In October 2023, global sugar prices spiked due to several exogenous factors including geopolitical risks, higher energy prices, and a strong U.S. dollar. In Egypt, this confluence of factors caused unsubsidized sugar to reach record highs. From 2022 to 2024, Egyptian retail consumer sugar prices tripled, pressuring consumers to further tighten household budgets.¹⁸ According to the Central Bank of Egypt's "Monetary Policy Inflation Note March 2024," sugar and sugary products are calculated as a core inflation component. Higher prices were reflected in sugar-containing products such as soft drinks and baked confectionary products.

In late 2023 and early 2024, domestic retail sugar prices and a falling Egyptian pound converged with high global sugar prices delivered to Egypt and high energy prices triggering rampant speculation, hoarding, retail and commercial shortages, and price rationing. With limited government options to intervene in domestic and global markets, Egypt's sugar growers, processors, and users grappled with both supply-side losses, as well as demand-side losses for government-administered ration card distribution programs, commercial sugar users, and retail household consumers. Egyptian public officials have acknowledged that although state-owned enterprises and privately funded projects are not meeting long-term self-sufficiency efforts, they remain confident that imports and government interventions will address shortfalls.

¹⁵ https://www.oecd-ilibrary.org/sugar-projections-consumption-per-capita_5jrxx43xv37.pdf

¹⁶ <https://ebrary.ifpri.org/utils/getfile/collection/p15738coll2/id/137031/filename/137248.pdf>

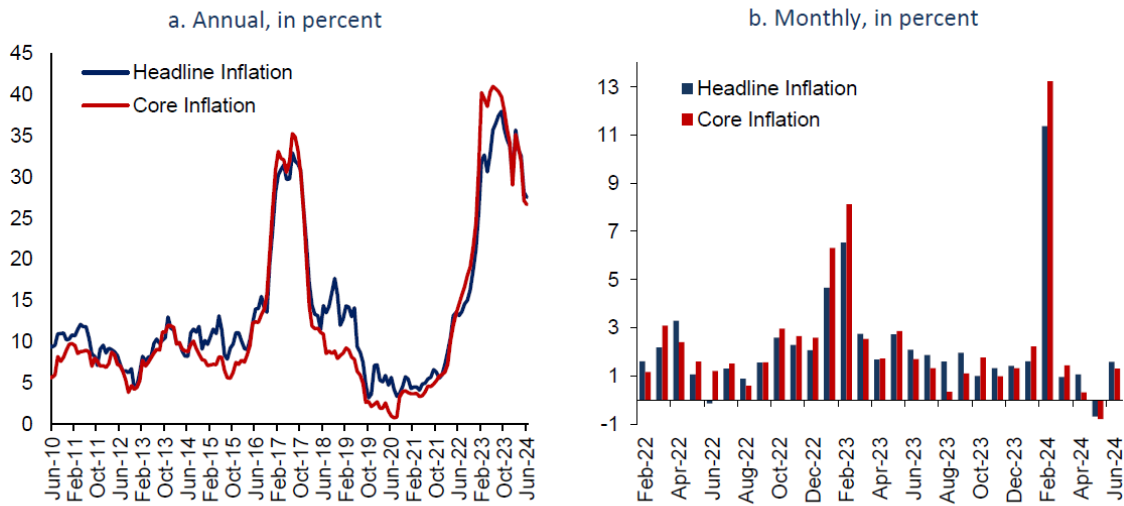
¹⁷ <https://www.who.int/publications/i/item/9789241549028/>

<https://openknowledge.fao.org/server/api/core/bitstreams/82fbd8d9-b3cf-40b4-896c-1d477e472318/content>

¹⁸ <https://www.unicef.org/egypt/media/10766/file/The%20Socioeconomic%20Impact%20of%20the%20Russia-Ukraine%20Crisis%20on%20Vulnerable%20Families%20and%20Children%20in%20Egypt.pdf> ;

<https://www.wsj.com/articles/egyptians-struggle-to-afford-food-this-ramadan-as-crisis-worsens-831e5a54>

Figure 1. Headline and Core CPI Inflation³



Source: Calculated by the Central Agency for Public Mobilization and Statistics (CAPMAS) and Central Bank of Egypt (CBE).

Source: CAPMAS and CBE calculations.

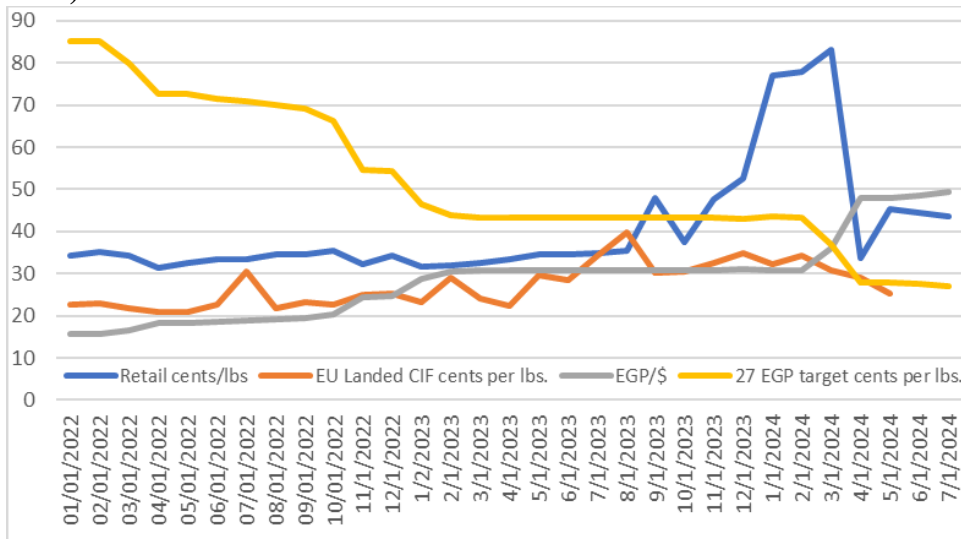
1/ Published by CAPMAS.

2/ Computed by the CBE.

3/ CAPMAS publishes three CPI series: (1) CPI-urban areas, which includes Cairo, Alexandria, urban Lower Egypt, urban Upper Egypt, Canal cities and Frontier governorates, (2) CPI-rural areas, and (3) CPI-all areas. Numbers quoted in this note refer to CPI-urban.

Source: Central Bank of Egypt, Monthly Inflation Note, <https://www.cbe.org.eg/en/news-publications/publications>

Comparative Sugar Prices of Egyptian Retail, Imports, and Government Target Price (U.S. cents per lbs.)¹⁹



¹⁹ Central Agency for Public Mobilization and Statistics via World Food Program VAM, <https://dataviz.vam.wfp.org/economic/prices>; TDM Online, LLC; Official exchange rate (LCU per US\$, period average) - Egypt, Arab Rep. International Monetary Fund, International Financial Statistics via World Bank, Open Data Portal

Ration Card System and Food Assistance: The Government of Egypt’s MoSIT has administered multiple public social protection and nutrition programs since the 1940s. Egypt’s Tamween, national food subsidy program, supports about 73 percent of households. Today, sugar, flour, bread, cooking oil are the remaining essential staples distributed in the program through a ration card system, serving approximately 60 million Egyptians who are eligible for public assistance. Sugar and cooking oil are distributed monthly with a fixed quota for each ration card holder. Egypt allocates about 1 million tons for distribution to ration card holders.²⁰

As Egyptians faced economic hardship, higher prices, and lower purchasing power, MoSIT officials expanded public access by doubling the sugar allocation for every eligible individual from 1 kilogram to 2 kilograms starting in January 2024.²¹ Additionally, MoSIT implemented new pricing for sugar on March 23, 2024, setting a notional price target of about \$0.34 per lbs. (35 EGP per kilo).

In February 2024, MoSIT and its Holding Company for Food Industries launched its “Welcome [to] Ramadan” initiative, a series of events to provide relief to families ahead of the Ramadan religious holiday which took place from March 9 to April 10 and is often a seasonal period of higher-than-usual demand, raising prices. MoITS distributed 30,000 tons of unsubsidized sugar and 65,000 tons of subsidized sugar through 40,000 government distribution points across Egypt.

Although sugar prices are not subject to price controls as part of market liberalization reforms, following Egypt’s last episode of rampant price speculation in 2016, Egypt implemented Investment Law No. 72/2017 which allows government price “guidance” in the case of market failure or natural monopoly.²² In late 2023 and early 2024, Egyptian officials took several actions to alleviate spiraling prices and shortages. In December 2023, MoSIT set maximum prices for sugar and six other strategic foodstuffs, and established agreements with private producers and retailers to cut prices on staple products by 15 to 25 percent for three to six months.²³

Sugar Contracts on Commodities Exchange: In August 2023, the Egypt Commodities Exchange began offering commercial futures contracts for food processors, distributors, and packaging companies to improve price discovery and transparency in Egypt’s sugar markets.

Trade

Post forecasts MY2024/25 imports to reach 1.5 million metric tons, up 500,000 tons from MY2023/24 USDA official estimates, to cover for domestic production shortfalls and rising demand. Post forecasts MY2023/24 imports to reach 1.9 million metric tons, up 900,000 tons from MY2022/23 USDA official

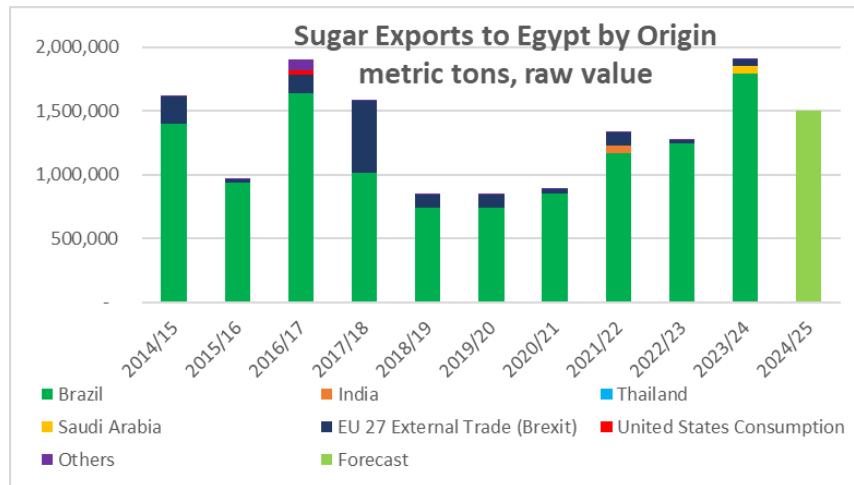
²⁰ https://elibrary.worldbank.org/doi/10.1596/978-1-4648-1087-9_ch3

²¹ <https://www.sis.gov.eg/Story/190829/Egypt-to-increase-sugar-on-ration-cards-by-up-to-2-KGs-in-January-2024?lang=en-us>

²² https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=Sugar%20Annual_Cairo_Egypt_4-18-2017.pdf

²³ <https://english.ahram.org.eg/NewsContent/1/2/514861/Egypt/Society/Egypt-sets-market-controls-on--strategic-foods,-in.aspx>

estimates due to a strong pace of General Authority for Supply Commodities (GASC) tender booking commitments for raw and refined sugar and trade data. In March 2024, shortly before finalizing national debt restructuring deals, Egypt’s Cabinet approved imports of 1.0 million metric tons to meet shortfalls in domestic production and high demand in 2024. This is a sharp reversal from Egypt’s import ban less than four years ago.²⁴

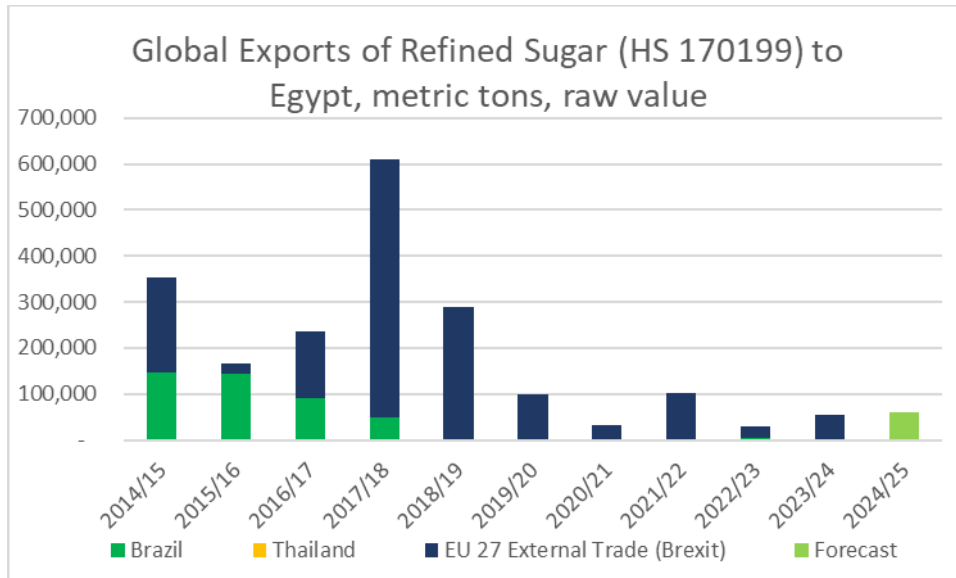


Source: Egyptian Customs data via TDM Online, LLC, Post estimates

Most imports to Egypt are booked through public tenders administered by the GASC on behalf of ESIC and private mills who refine raw sugar imports locally for distribution. Egypt primarily imports raw cane sugar from Brazil and raw beet sugar from European Union origins. Market volatility in MY2023/24 led GASC to purchase raw and refined cane sugar from Saudi Arabia.

In October 2023, Egypt suspended import duties for sugar and other essential staples for six months. According to Prime Ministerial Decree No. 532/2017, Egyptian officials can temporarily suspend raw cane and beet sugar (HS 170112, 170113, and 170114) duties, from 20 percent to zero, to provide relief when domestic production does not meet demand. A similar measure was adopted in 2016.

²⁴https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Egypt%20Temporarily%20Bans%20Sugar%20Imports_Cairo_Egypt_07-09-2020



Source: TDM Online, LLC

Exports

Egypt Exports of Refined Sugar to the World (Oct-Sep, metric tons, raw value)					
	2019/20	2020/21	2021/22	2022/23	2023/24
Lebanon	13,682	8,398	34,750	26,969	51,512
Gaza Strip and West Bank	0	4,116	71,112	105,585	40,276
Sudan	29,301	90,895	2,523	102,230	28,798
Uganda	15,499	12,532	10,625	13,544	16,620
Kenya	36,632	44,471	36,052	55,143	18,565
Tanzania	2,888	3,902	10,228	10,336	14,395
Somalia	11,351	5,000	162	0	18,000
Others	192,412	79,028	165,746	311,269	86,472
Total	301,765	248,342	331,198	631,546	248,632

Source: CAPMAS trade data accessed through TDM Online, LLC

Post forecasts MY2024/25 exports to reach 300,000 tons, up 200,000 tons from USDA official estimates on strong demand across the region, and greater exportable supplies in recent months.

Post forecasts MY2023/24 exports to reach 300,000 tons, up 200,000 tons from USDA official estimates on the steady stream of reported export shipments to date. From October 2023 to June 2024, Egypt exported nearly 250,000 tons of refined sugar, or nearly 180,000 tons of raw value equivalent cane sugar to neighboring markets. In December 2023, Egypt's Ministry of Trade and Industry imposed a temporary ban on exports of sugar and other essential staples in accordance with Ministerial Resolution

No. 88/2023.²⁵ The export moratorium was extended from January to March 2024, and then reinstated from July to September 2024. Sugar exports can only be authorized when quantities exceed domestic market needs.²⁶ From October 2023 to July 2024, the pace of trade has been higher-than-expected given economic crises and geopolitical concerns.

Stocks

Post forecasts MY2024/25 ending stocks to reach nearly 1.0 million tons, up 935,000 tons from MY2023/24 official stocks estimates as Egypt establishes a government-sponsored strategic reserve program, and commercial users build pipelines stocks and inventories to buffer against future shocks. Egyptian officials are eager to boost public confidence in state support for domestic food security.

During the height of sugar supply shortages, Egyptian officials reported the following claims about domestic stockholdings.

Date of Report	Months of Supply	Estimated Volume
11/28/2023	5.7	1.7 million tons
12/12/2023	7.8	2.3 million tons
2/2023	6	1.8 million tons

Source: Local media reports and Post estimates

In August 2023, Egypt's MoSIT broke ground on the first of many complexes in Upper and Middle Egypt to store strategic commodities for commercial warehousing and government reserves.²⁷ The project is expected to enter service as early as March 2025. In MY2023/24, commercial users which marketed their commercial pipeline stocks during the peak of the 2023/24 price spike were subject to government scrutiny, discouraging others from holding stocks.

²⁵ <https://english.ahram.org.eg/NewsContent/3/12/514061/Business/Economy/Egypt-extends-ban-on-sugar-exports-for-three-month.aspx>

²⁶ <https://www.dailynewsegypt.com/2024/03/19/egypt-extends-sugar-export-ban-for-three-months/>

²⁷ <https://english.ahram.org.eg/NewsContent/3/12/507286/Business/Economy/Egypt-starts-building-seven-massive-warehouses-for.aspx>

Annex 1: Milling Capacity

Sugar Cane Milling Capacity (1,000s of metric tons)

Location	Governate	Ownership	Sugar Mill	Feedstock	Capacity	Sugar	Molasses
Delta	Giza	ESIIC	Hawamdia	Raw sugar	Refining only	380	-
Upper Egypt	Sohag	ESIIC	Girga	Cane	1,000	60	40
Upper Egypt	Qena	ESIIC	Nag-Hemadi	Cane	1,700	150	
Upper Egypt	Qena	ESIIC	Deshna	Cane	1,000	75	40
Upper Egypt	Qena	ESIIC	Kous	Cane	1,600	170	64
Upper Egypt	Luxor	ESIIC	Armant	Cane	1,150	110	50
Upper Egypt	Aswan	ESIIC	Edfu	Cane	1,100	90	44
Upper Egypt	Aswan	ESIIC	Kom Ombo	Cane	1,800	200	-
TOTAL					1,273	238	10,100

Source: Ministry of Agriculture, Sugar Council and Post research

Sugar Beet Processing Capacity (1,000s of metric tons)

Location	Governate	Ownership	Sugar Mill	Feedstock	Capacity	Sugar	Molasses
Delta	Daqahlia	Private	Daqahlia/Belkas	Beet	2,500	200	130
Middle Egypt	Fayoum	Arab Agricultural Investment and Development (UAE), ESIIC/Delta	Fayoum	Beet	1,250	180	60
Delta	Kefr El Sheikh	ESIIC/Delta	Kefr El Sheikh	Beet	7,300	220	80
Delta	Minya	Al Ghurair Group (UAE)	Canal	Beet	2,500	900-1000	243
Delta	Sharquiya	ASSM	Al-Nouran	Beet	514	1,768	105
Delta	Sharquiya	ASSM	Al-Sharquiya	Beet	588	-	-
Delta	Beheria	ESIIC/Delta	Noubaria	Beet	1,000	100	-
Delta	Alexandria	ESCIIC	Nile	Beet	3,833	-	-
Delta	Alexandria	Savola (Saudi)	Savola	Beet	750	-	-
TOTAL					21,235	2,546	618

Source: Ministry of Agriculture, Sugar Council and Post research

Annex 2 – Reported Tenders

Date	Product	MT	Price	Delivery
7/19/2023	N/A	165,000	\$819	Feb-24
7/31/2023	Raw	50,000	\$575	
8/16/2023	Raw	50,000		
12/16/2023	N/A	50,000		
12/21/2023	Raw	50,000	\$529	Feb/Mar2024
1/9/2024	Raw	50,000	\$530	Feb/Mar2024
3/6/2024	Refined	50,000		
4/1/2024	Raw	150,000		
4/4/2024	Raw	50,000		
4/15/2024	Raw	50,000		
4/21/2024	Raw	250,000	\$503	May-Jul 2024
5/27/2024	Raw	250,000	\$470	Sep/Oct 2024

Source: Post research

Attachments:

No Attachments