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Egypt

OILSEEDS

Annual

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Report Highlights:

Egyptian oilseed production continues to decline as farmers planted less cotton. Production of both cotton and sunflowe meal and oil declined as a result of a drop in production of cotton and sunfloerseed.Imports of soybeans continue to increase in recent years due to increasing crushing capacity of sybeans crushing facilities.

Executive Summary:

Total Egyptian oilseed production continues to decline as farmers planted less cotton. Cotton is the major oilseed grown in Egypt and area is declining year after year due to lossing price compititivness with other locrative summer crops. Sunflowers area declined also in response to the low price that farmers recive.

Production of cotton meal is declining due to the decrease in cotton prduction. While soybean meal imports decrised, imports of soybeans increased due to the increasing crushing capacity.

Commodities:

Oilseed, Soybean
Oilseed, Sunflowerseed
Oilseed, Sunflowerseed
Meal, Cottonseed
Meal, Soybean
Meal, Sunflowerseed
Oil, Cottonseed
Oilseed, Sunflowerseed

Production:

Total Egyptian oilseed production continues to decline as farmers planted less cotton, sunflowers and stagnated area of soybeans. A similar decline is expected in 2009/10. Egypt's major constraints to increase oilseed production will continue to be the scarcity of arable land, water and relatively limited returns compared to other crops. Cotton is the major oilseed grown in Egypt. It is produced primarily for fiber, with oil and meal production being of secondary importance. Soybeans and sunflowers also are cultivated, but on a much smaller scale.

In 2008/09, cotton production is expected to decrease by 42 percent compared to 2007/08, owing to the negative response of farmers in returning from their cotton.

The total area planted to sunflowers declined dramatically in recent years to less than 1,000 Ha. The total area in 2008 was 346 Ha. The decline in recent years is due mainly to farmers reducing their planted acreage in response to the low price they receive for sunflowers. It is expected that total planted area will not increase in 2009/010.

The total area planted to soybeans in 2008/09 increased slightly to 10,000 HA from 9,000 HA in 2007/08. Stagnation in soybean area is primarily the result of the low price paid to farmers by the soybean processors. A corresponding side effect was that soybeans proved less competitive with other summer crops, particularly corn and rice. In addition, increased plantings other prolonged growing season of berseem (clover) made it more difficult for soybeans to fit into the crop rotation cycle.

Production of both cotton and sunflower meal declined in MY 2008, as a result of a drop in the production of cotton and sunflowerseeds. This trend is expected to continue in MY 2008. Soybean meal production, however, experienced a slight decrease in MY 2008, and is likely to be about the same level in MY 2009. Cottonseed oil is the main seed oil produced in Egypt. Total Egyptian seed oil production was down in 2008/09 to 218,000 MT from 239,000 MT in 2007/08 as a result of the decline in domestic cotton and sunflower seed production. Further decrease is expected to occur in 2009/10 especially given the anticipated drop in the amount of area planted to cotton.

Although there is no local production of palm oil in Egypt, there are a number of private sector palm oil processors and distributors.

Consumption:

Egypt's total annual crushing capacity is estimated at about 1,600,000 MT. With the decline of cotton and soybeans production, several crushing facilities are operating at the present time at less than full capacity, some reaching only 50 percent. In 2008/09, total oilseeds crush is estimated to reach 1,228,000 MT, as compared to 1,362,000 MT in 2007/08.

In the last few years, the demand for meal, especially soybean meal, has raised the result of the modernization of the livestock industry in Egypt. The increase in the use of meal has been particularly noticeable in the poultry sector. Most soybean meal is utilized in poultry rations, while cottonseed cake is used in livestock feed. The dairy industry also is beginning to expand and modernize, and many farms now using high quality feed rations based on protein meals. Total meal consumption in MY 2008/09 is estimated at 1.1 million MT, and is forecast decrees slightly in MY 2009/10 mainly due to the out break of AI.

Egyptian per capita consumption of oils is estimated at slightly over 20 Kg/year. Given the importance of vegetable oil in Egyptian cuisine, this low consumption figure strongly suggests that vegetable oil is often used well after its optimal life span (particularly in popular restaurants).

Ration card holders are allowed only 0.50 Kg./person/month at a subsidized price of LE 0.50. In addition to that another 1.5 kg at LE 4.5 per kg is allowed. The average price for oil marketed by private producers ranges from LE 10/Kg. to LE 12/Kg.

In MY 2008/09, total Egyptian oil consumption expected to increase by 8 percent compared to MY 2007/08. Most of the increase is due to the increase imports of both soybean oil and palm oil.

Because of its relatively low price, palm oil continues to maintain its competitive position with other imported oils for both human consumption and industrial use. Palm stearin is imported mainly as a substitute for tallow in soap manufacturing.

Trade:

Egypt is not a major oilseed importer. One of the constraining factors is that imports of cottonseed are forbidden as a precaution against the introduction of new cotton pests and diseases into Egypt. By contrast imports of soybeans continue to increaser in recent years, in response to shortfall in domestic oilseed production and also because of a growing demand for soymeal within the poultry and livestock industries. Also, with Egypt's concerns about BSE (Mad Cow Disease), there is a growing trend to substitute imported animal protein concentrate from the European Union Countries with full-fat soya from other origins.

The current average price for soybeans imported is $380 per MT/CIF. This is compared to $570 per MT/CIF during the last half of MY 2008
Soybean meal was the only meal imported into Egypt in 2007/08. The total quantity imported is estimated at 233,000 MT. U.S. soybean meal exports to Egypt were close to 60,000 MT in MY 2007/08, compared to 90,000 MT in MY 2006/07. The balance of imports was from South America, mostly Argentina. In MY 2009/10, import levels are forecast to remain about the same level of 2008/09.

Oil cake and other meals extracted from vegetable oilseeds are subjected to an import duty of 5 percent.

The current import prices for imported soybean meal 44 percent and 48 percent are $380 and $410 per MT/C&F respectively. This compared to $470 and $490 per MT/C&F in 2008.

Egypt continues to rely on imports to meet the bulk of its oil requirements. In MY 2008/09, total Egyptian oil imports expected to increase about 10 percent, mostly due to increase imports of palm and soybean oil. The increase in palm and soya oil imports is attributed to the high price of cotton and sun oil in the international market. The majority of Egyptian sunflower oil imports came from Argentina and black sea area. Both countries managed to increase their exports to the

Egyptian market in MY 2007/08. Soya oil imports are expected to be strong in MY 2008/09, which will have impact on total Egyptian oil imports.

Egyptian imports of palm oil, for both direct consumption and industrial uses, increased in MY 2007/08 in response to the decreased price of palm oil in the international market. This trend is expected for MY 2008/09. The current average prices for imported palm oil are $850US C&F/MT. This compared to $1,060 per MT during 2007/08.

The average current price of imported crude sunflower oil is $732, as compared to $1,850/MT C&F Alexandria in MY 2007/08. The average price of imported soybean oil is currently $775 as compared to $1,250/MT C&F.

With the exception of cottonseed, virtually all oilseeds can be imported freely into Egypt.

Production, Supply and Demand Data Statistics:

Oilseed, Cottonseed Egypt	2007		2008		2009	
	2007/2008		2008/2009		2009/2010	
	Market Year Begin: Oct 2006		Market Year Begin: Oct 2007		Market Year Begin: Oct 2009	
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data
Area Planted (Cotton)	250	231	140	133		110
Area Harvested (Cotton)	250	231	135	133		110
Seed to Lint Ratio	6,800	6,700	6,800	6,800		6,800
Beginning Stocks	5	5	5	2		5
Production	340	314	160	180		150
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	345	319	165	182		155
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	335	314	158	173		148
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	5	3	3	4		3
Total Dom. Cons.	340	317	161	177		151
Ending Stocks	5	2	4	5		4
Total Distribution	345	319	165	182		155

Oilseed, Soybean Egypt	2007		2008		2009	
	2007/2008		2008/2009		2009/2010	
	Market Year Begin: Oct 2007		Market Year Begin: Oct 2008		Market Year Begin: Oct 2009	
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data
Area Planted	13	8	14	10		11
Area Harvested	13	8	13	10		11
Beginning Stocks	92	92	20	50		15
Production	32	26	32	27		29
MY Imports	1,061	1,010	1,130	1,020		1,025
MY Imp. from U.S.	728	867	550	870		800
MY Imp. from EU	0	0	0	0		0
Total Supply	1,185	1,128	1,182	1,097		1,069
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	1,129	1,048	1,112	1,055		1,007
Food Use Dom. Cons.	12	10	15	10		14
Feed Waste Dom. Cons.	24	20	26	17		23
Total Dom. Cons.	1,165	1,078	1,153	1,082		1,044
Ending Stocks	20	50	29	15		25
Total Distribution	1,185	1,128	1,182	1,097		1,069

Meal, Cottonseed Egypt	2007		2008		2009	
	2007/2008		2008/2009		2009/2010	
	Market Year Begin: Oct 2006		Market Year Begin: Oct 2007		Market Year Begin: Oct 2009	
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data
Crush	335	314	158	173		148
Extr. Rate, 999.9999	0.	0.465	0.	0.4682		0.4595
Beginning Stocks	0	0	0	0		0
Production	156	146	74	81		68
MY Imports	5	0	5	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	161	146	79	81		68
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0

Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	161	146	79	81		68
Total Dom. Cons.	161	146	79	81		68
Ending Stocks	0	0	0	0		0
Total Distribution	161	146	79	81		68

Meal, Soybean Egypt	2007		2008		2009	
	2007/2008		2008/2009		2009/2010	
	Market Year Begin: Oct 2007		Market Year Begin: Oct 2008		Market Year Begin: Oct 2009	
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data
Crush	1,129	1,078	1,112	1,010		1,015
Extr. Rate, 999.9999	1.	0.7904	1.	0.7921		0.7901
Beginning Stocks	36	36	10	13		18
Production	899	852	889	800		802
MY Imports	135	233	260	250		245
MY Imp. from U.S.	75	74	95	90		80
MY Imp. from EU	0	0	0	0		0
Total Supply	1,070	1,121	1,159	1,063		1,065
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	1,060	1,108	1,142	1,045		1,050
Total Dom. Cons.	1,060	1,108	1,142	1,045		1,050
Ending Stocks	10	13	17	18		15
Total Distribution	1,070	1,121	1,159	1,063		1,065

Meal, Sunflowerseed Egypt	2007		2008		2009	
	2007/2008		2008/2009		2009/2010	
	Market Year Begin: Oct 2007		Market Year Begin: Oct 2008		Market Year Begin: Oct 2009	
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data
Crush	5	0	5	0		0
Extr. Rate, 999.9999	0.	0.	0.	0.		0.
Beginning Stocks	0	0	0	0		0

Production	2	0	2	0		0
MY Imports	13	5	139	7		8
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	15	5	141	7		8
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	15	5	141	7		8
Total Dom. Cons.	15	5	141	7		8
Ending Stocks	0	0	0	0		0
Total Distribution	15	5	141	7		8

Oil, Cottonseed Egypt	2007		2008		2009	
	2007/2008		2008/2009		2009/2010	
	Market Year Begin: Oct 2006		Market Year Begin: Oct 2007		Market Year Begin: Oct 2008	
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data
Crush	335	314	158	173		148
Extr. Rate, 999.9999	0.	0.1592	0.	0.1561		0.1554
Beginning Stocks	0	0	0	0		0
Production	53	50	25	27		23
MY Imports	0	3	0	5		8
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	53	53	25	32		31
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	5	3	5	2		2
Food Use Dom. Cons.	48	50	20	30		29
Feed Waste Dom. Cons.	0		0	0		0
Total Dom. Cons.	53	53	25	32		31
Ending Stocks	0		0	0		0
Total Distribution	53	53	25	32		31

Oil, Soybean Egypt	2007	2008	2009
	2007/2008	2008/2009	2009/2010

	Market Year Begin: Oct 2007		Market Year Begin: Oct 2008		Market Year Begin: Oct 2009	
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data
Crush	1,129	1,048	1,112	1,055		1,007
Extr. Rate, 999.9999	0.	0.1794	0.	0.1801		0.1797
Beginning Stocks	0	0	143	50		100
Production	203	188	200	190		181
MY Imports	480	460	220	590		600
MY Imp. from U.S.	20	20	7	19		20
MY Imp. from EU	0	0	0	0		0
Total Supply	683	648	563	830		881
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	10	12	11	12		13
Food Use Dom. Cons.	530	586	488	718		778
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	540	598	499	730		791
Ending Stocks	143	50	64	100		90
Total Distribution	683	648	563	830		881

Oil, Sunflowerseed Egypt	2007		2008		2009	
	2007/2008		2008/2009		2009/2010	
	Market Year Begin: Oct 2006		Market Year Begin: Jun 2008		Market Year Begin: Oct 2008	
	Annual Data Displayed	New Post Data	Annual Data Displayed	New Post Data	Annual Data Displayed	Jan Data
Crush	5	0	5	0		0
Extr. Rate, 999.9999	0.	0.	0.	0.		0.
Beginning Stocks	0	0	0	0		0
Production	1	0	1	0		0
MY Imports	214	250	352	260		250
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	215	250	353	260		250
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	215	250	353	260		250
Feed Waste Dom. Cons.	0	0	0	0		0

Total Dom. Cons.	215		250	353		260			250
Ending Stocks	0		0	0		0			0
Total Distribution	215		250	353		260			250