

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

News on Developments in Agriculture and Food in EgyptNew

Nile Nuggets

*News on Developments in Agriculture and Food in Egypt
January 2016*

CONFLICTING STATEMENTS OVER EGYPT'S NEW ZERO TOLERANCE FOR ERGOT ON WHEAT: Egypt, the world's largest purchaser of wheat, has imposed a restrictive import requirement for the complete absence of ergot, a common fungus found in grains, which could challenge its ability to source wheat. Egypt's state grain buyer, the General Authority for Supply Commodities (GASC), allows for a 0.05 percent ergot level; however, Dr. Saad Mousa, the head of the Central Authority of Plant Quarantine, stated that wheat shipments must be completely free of ergot in order to protect Egypt's plant life. GASC stated that the new ergot requirement is under discussion and has yet to change its tender specifications. Importers have stated that with a zero percent ergot tolerance, it would be too risky to bid on GASC's tenders as it is impossible to guarantee ergot-free wheat.

MINISTRY OF INDUSTRY CREATES NEW REGISTRY FOREIGN FACTORIES: On December 31, 2015, the Minister of Industry and Trade issued Decree 992/2015, requiring foreign manufacturers of specific products to register with the General Organization for Export and Import Control (GOEIC) in order to have access to the Egyptian market. The decree gives the Minister the right to exempt factories from some or all the registration requirements. Of the 23 products requiring registration, eight are food products sold at the retail level. These products include dairy products, dried and preserved fruit, oils and fats, chocolate and food preparations containing cacao, sugar confectioneries, pastries and foods prepared from cereals and bakery products, fruit juices, and natural and sparkling water. The decree is set to go into effect two months after its official publication (February 29, 2016). Products produced in unregistered facilities will not be granted customs clearance.

RUSH OF INVESTMENTS IN EGYPT'S RETAIL SECTOR: Egypt's consumers' shopping habits are increasingly shifting towards the modern retail sector, resulting in a significant surge of investment in this sector. The Al-Bustan Real Estate Development Company will invest LE (Egyptian pounds) three billion to build four new "HyperOne" branches in New Cairo, Shorouk City, Badr City and Assiut. While the Fathalla Gomla Market Group will invest LE 70 million to establish a 10,000 square meter supermarket in Borg El Arab. Moreover, UAE-based Spinneys is aggressively expanding with plans to open 23 new branches in the Delta and Upper Egypt governorates in the next two years with a total investment of LE five billion. [Note \$1 = 7.83 LE] The company currently owns six branches in Cairo, the Red Sea, and Qena and Retail Manager Mahmoud Meawad has stated that Spinney's has the goal of achieving 35 percent market share in terms of Egypt's retail market.

HOMOS ELSHAM or HALABESA: Drinking and eating chickpeas or, as Egyptian call it, homos elsham or halabesa, is very popular hot drink sold in Egypt's streets during the winter months. Street

vendors zest up this this drink with lemon and spices, which warms up the body while providing a nice jolt of energy!



Agricultural Crops Developments

So far, wheat cultivation at 1.326 million hectares: On January 4, 2016, the Ministry of Agriculture and Land Reclamation(MALR) stated for the 2015/16 wheat cultivation season it counted 3.159 million feddans (1.326 million hectare) planted compared to last year's 3.378 million feddans (1.418 hectare) . The decrease is attributed to some governorates not yet having completed calculating total area planted to wheat due to the heavy rains and flooding. MALR Minister Essam Fayed said that he does not see a drop-off from last year, adding that he did not witness any problems concerning fertilizers, a key constraint to wheat production.

Egypt Produces 1.520 million tons of fish: According to a report released by the Ministry of Agriculture and Land Reclamation, in 2014 Egypt produced 1.520 million tons of fish. The ministry said production should reach 2 million tons by 2018. The ministry in cooperation with the Egyptian military has established several fish cages in the Sinai and in the Kafr El-Sheikh area which will serve as demonstration plots, as well as to help increase Egypt's fish production.