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Nile Nuggets for November 2016

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Report Highlights:

- Egypt temporarily suspends tariff on poultry
- Egypt's GOEIC officially leading inspection of imported wheat, corn, and soybeans
- H5N8 Avian Flu outbreak expands to Egypt
- Egypt raises farm gate wheat, corn, paddy rice and sugar cane prices

Nile Nuggets

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

EGYPT TEMPORARILY SUSPENDS TARIFF ON POULTRY: The Egyptian government temporarily removed the 30 percent tariff on imported frozen poultry. The Prime Minister's decision (3047/2016), published in the official gazette November 22, 2016, stipulates that frozen poultry imported for the period from November 10, 2016 to May 31, 2017 is exempt from the 30 percent import tariff. Local poultry producers responded harshly, claiming that the decision would harm their successful industry and demanding that it be cancelled. The government defends the decision saying that it is actually protecting citizens from poultry price increases following the devaluation of the Egyptian currency. Egyptian authorities claim that the measure will not harm the local industry and that it should have been taken six months ago, but was delayed. They further note that it is only temporary, for the coming six months. The local poultry industry in Egypt covers nearly 90 percent of the market's needs with total production of roughly 2.9 MMT while imports stand at 80,000 MT. Early this month the government devaluated the local currency, causing the Egyptian Pound to drop from EGY 8.88 per USD to EGY 17.90 per USD. The devaluation has created inflationary pressure on all commodities.

EGYPT'S GOEIC OFFICIALLY IS LEADING THE INSPECTION OF IMPORTED WHEAT, CORN AND SOYBEANS: According to a decree from the Prime Minister (2992/2016), published November 13, 2016, the Ministry of Industry and Trade's General Organization for Export and Import Control (GOEIC) is now the sole state body authorized to inspect wheat, soybean and corn at ports of origin and entry. Beforehand, wheat purchased by the government was mandatorily inspected at the port of origin. The inspections were carried out by six Egyptian officials representing three government authorities. With the new decision, inspection at ports of origin and entry will be led by GOEIC, who will depend on international inspection companies, like SGS, to carry out the inspection.

H5N8 AVIAN FLU OUTBREAK EXPANDS TO EGYPT: On November 31, 2016, Egypt reported its first highly pathogenic H5N8 avian influenza detection. This makes it the third country in the Middle East to report the new H5 clade, which has also spread to several European countries after it was first identified in Russian migratory birds in June. In a report to the World Organization for Animal Health (OIE), Egypt's Ministry of Agriculture and Land Reclamation's General Organization for Veterinary Services said two common coots found dead in the Damietta Governorate, north of Cairo, on November 24 tested positive for H5N8. So far the source of the virus hasn't been determined, and authorities have ordered enhanced surveillance in and around the zone where the birds were found. Earlier this month, Israel reported an H5N8 outbreak at a large poultry farm, and about a week later Iran reported two H5N8 outbreaks in commercial layer farms.

EGYPT RAISED LOCAL WHEAT, YELLOW CORN, PADDY RICE AND SUGAR CANE PRICES: On November 4, 2016, the government of Egypt announced the decision to raise the price paid for next year's harvest to wheat, corn, rice and sugar cane producers. The government raised the price paid for local wheat from EGP 2800/MT (USD 156/MT) to EGP 3000/MT (USD 168/MT); for yellow corn from EGP 2100/MT (USD 117/MT) to EGP 2500/MT (USD 140/MT); for paddy rice from EGP 2100/MT (USD 117/MT) to EGP 3000/MT (USD 168/MT); and for sugar cane from EGP 400/MT (USD 22/MT) to EGP 500/MT (USD 28/MT). Every year the Egyptian government announces the

prices it will pay to local producers of certain strategic agricultural commodities to encourage farmers to grow more of these commodities. Following the sharp currency devaluation in early November 2016, the existing farm support prices in US dollar-terms are significantly lower than the last year's prices.

Hummus EL-Sham (Chickpea soup/drink): Chickpea drink, or *Hummus EL-Sham*, or *Halabisa* is a very popular drink in Egypt. It is sold by street vendors and is reportedly delicious. You can have it as soup, but it is normally drunk from a straw and/or spoon from a cup.



In summer and winter, street vendors are selling the drink to pedestrians. It is an exotic blend of chickpeas, containing no saturated fat, no cholesterol or sugars, and it is high in protein and fiber. Unlike many foods that are good for you, hummus also tastes great. It is a perfect food for anyone who is concerned about eating well, but doesn't want to sacrifice flavor.