



GIEWS Country Brief Egypt

Reference Date: 22-May-2019

FOOD SECURITY SNAPSHOT

- Increased wheat harvest forecast in 2019
- Slightly above-average import requirements forecast for 2018/19 marketing year
- Food price inflation eased in April 2019

Increased wheat harvest forecast in 2019

The 2019 wheat harvest started in early May and will be completed by June. Harvest of the minor barley crop is about to be completed.

Cereals are grown on irrigated fields, yielding relatively stable harvests. About 1.37 million hectares were planted with wheat in the 2018/19 crop year, slightly above the 1.3 million hectares planted in the previous year encouraged by higher Government procurement prices. The 2019 wheat production is forecast at 9.2 million tonnes, up by 5 percent compared to last year and slightly above the average on the account of favourable winter weather conditions, increased area and continued use of improved seeds. The 2019 cereal production is forecast at 22 million tonnes, about the same as in 2018, but about 6 percent below the average due to the decline in rice production as the Ministry of Water Resources and Irrigation continues to set limits on the area planted with rice to save water. Farmers not complying with the instructions face fines. Despite constraints on the planted area, new domestically developed early maturing rice varieties have the potential to increase yields.

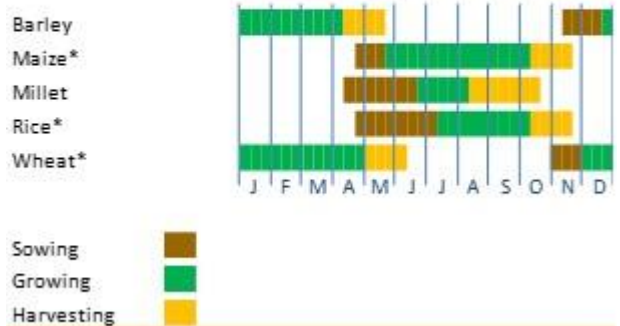
The 2019 wheat procurement season runs from 15 April to 15 June and the General Authority for Supply Commodities (GASC) aims to purchase 3.7 million tonnes, up from 3.3 million tonnes purchased in the previous year. Until 12 May, some 1.6 million tonnes of wheat were purchased. The procurement prices are derived from a moving average of prices paid for imported wheat in the previous two months. The 2019 procurement prices announced in March 2019 range from USD 251-263 per tonne (EGP 655-685 per ardeb or 150 kg) based on quality and moisture levels, up from USD 213-224 per tonne (EGP 570-600 per ardeb or 150 kg) applied in 2018.

Cereal import requirements forecast slightly above average

The country remains the world's largest wheat importer. Wheat imports for the current 2018/19 marketing year (July/June) are estimated at 12.5 million tonnes, about the same as the previous

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Crop Calendar (*major foodcrop)



Source: FAO/GIEWS.

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Cereal Production

	2014-2018 average	2018	2019 forecast	change 2019/2018
	000 tonnes			percent
Wheat	9 096	8 800	9 200	4.5
Maize	7 616	7 300	7 450	2.1
Rice (paddy)	5 942	4 900	4 500	-8.2
Others	951	974	973	-0.1
Total	23 606	21 974	22 123	0.7

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheet.

year and about 15 percent above the average of the last five years. In the 2019/20 marketing year, wheat import requirements are expected to remain at the same level. The three largest suppliers in the 2018/19 marketing year (up to April 2019) were the Russian Federation (7.2 million tonnes), Ukraine (1.6 million tonnes) and Romania (1 million tonnes).

The overall cereal import requirements in the 2018/19 marketing year (July/June) are forecast at about 22.5 million tonnes, about the same as in the previous year and 10 percent higher than the five-year average.

Food price inflation eased in April 2019

The effects of increased energy and transportation prices, which pushed food inflation up to 20 percent in October 2018, are leveling off. In April 2019, the food price inflation reached 13 percent year on year, with a slight decrease from the 15 percent recorded in March. The decrease in food price inflation was supported by Government market intervention providing additional supplies of food items, particularly meat, fruit and vegetables before the start of Ramadan.

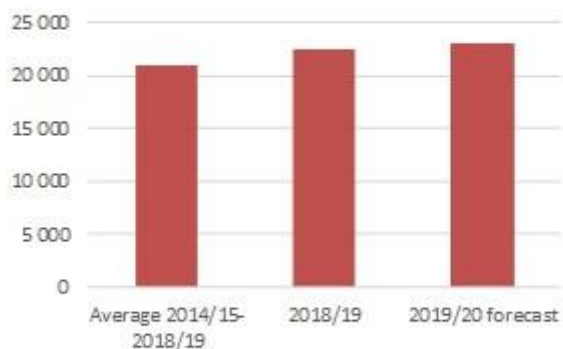
About 70 million of the country's 92 million people benefit from a subsidy card programme which entitles them to EGP 21 (USD 1.16) worth of goods monthly in addition to five loaves of bread per day at a EGP 0.05 per loaf (USD 0.01) – less than one-tenth of the actual cost. Bakeries are subsidized for the difference in costs, currently about EGP 0.60. Under the current systems, beneficiaries can convert their unused “bread quota” into points to be spent on 44 selected food products sold in State-owned or partnered private shops. For the 2018/19 fiscal year (July/June), the Government allocated EGP 86 billion (USD 4.8 billion) for bread and food subsidy schemes, up by EGP 1 billion compared to the 2017/18 allocation. About half of the allocation is earmarked for the bread subsidy programme.

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Cereals Imports

000 tonnes



Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

Source: FAO/GIEWS Country Cereal Balance Sheets.