



## GIIEWS Country Brief The Arab Republic of Egypt

Reference Date: 06-June-2025

### FOOD SECURITY SNAPSHOT

- **Wheat harvest underway with above-average production forecast in 2025**
- **Cereal import requirements in 2024/25 estimated at below-average level**
- **Food prices eased in 2025**
- **Limited medical treatments among refugees in 2025 due to humanitarian funding crisis**

### Wheat harvest underway with above-average production forecast in 2025

Harvest of 2025 wheat crop began in May, and it is expected to be completed by mid-June, while planting of rice and maize crops started in May. Cereals are cultivated in irrigated fields, with relatively stable yields. Wheat production in 2025 is forecast at moderately above average level, driven by the provision of subsidized seeds which improved yields and the increase in planted area due to the high government procurement price, which was set at 2 200 EGP/ardeb in October 2024, up from 2 000 EGP/ardeb in March 2024 and about 30 percent higher than international prices. As of May 2025, the government purchased 3.5 million tonnes of wheat from local farmers, more than 15 percent higher than the volumes procured in the same period in 2024.

### Cereal import requirements in 2024/25 estimated at above-average level

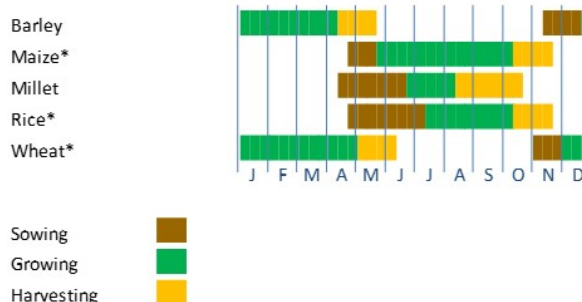
Cereal import requirements for the 2024/25 marketing season (July/June) are estimated at about 22 million tonnes, 5 percent above the average level. Wheat import requirements are anticipated at 14 million tonnes, about 14 percent above average, driven by low international prices (particularly for wheat sourced from the Russian Federation), high foreign currency availability and an expansion in domestic milling capacity. The latter is linked to increasing flour exports to neighbouring countries, including Sudan, the largest destination market for local wheat flour. It is noteworthy that wheat imports reached around 9 million tonnes between July 2024 and February 2025, about 70 percent more than during the same period in 2023/24.

Import requirements of maize, primarily used for feed, are estimated at 8 million tonnes in 2024/25, about 6 percent more than the previous year, reflecting an expansion in the domestic poultry industry.

### Egypt

Crop Calendar

(\*major foodcrop)



### Egypt

#### Cereal Production

	2019-2023	2023	2024	change
	average		estimate	2024/2023
	000 tonnes			percent
Wheat	9 245	9 100	9 400	3.3
Maize	7 442	7 130	7 206	1.1
Rice (paddy)	5 870	6 300	6 430	2.1
Others	1 024	1 011	1 022	1.1
<b>Total</b>	<b>23 581</b>	<b>23 541</b>	<b>24 058</b>	<b>2.2</b>

Note: Percentage change calculated from unrounded data.

## Food inflation eased in 2025

Food inflation eased significantly as of early 2025, reaching 6 percent in April, down from 40 percent in April 2024. The national average prices of rice and wheat flour remained mostly stable between June 2024 and February 2025, and they were down by about 15 percent compared to the peaks reached in February 2024, which had been driven by local currency depreciation, increasing import costs and supply chain disruptions in the Red Sea.

## Global humanitarian funding crisis threatens food security among refugees in 2025

As of April 2025, over 950 000 refugees, mostly Sudanese fleeing from the ongoing conflict, were registered with the United Nations High Commissioner for Refugees (UNHCR) in the country, nearly double the number 12 months before. The ongoing global humanitarian funding crisis led UNHCR to suspend key aid for refugees in the country, with a severe negative impact on refugees' access to essential services, including food, shelter, healthcare and education.

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This brief was prepared using the following data/tools:

FAO/GIEWS Country Cereal Balance Sheet (CCBS)

<https://www.fao.org/giews/data-tools/en/>

FAO/GIEWS Food Price Monitoring and Analysis (FPMA) Tool

<https://fpma.fao.org/>

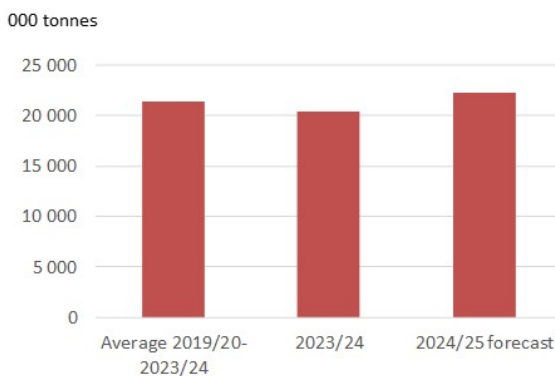
FAO/GIEWS Earth Observation for Crop Monitoring

<https://www.fao.org/giews/earthobservation/>

Integrated Food Security Phase Classification (IPC) <https://www.ipcinfo.org/>

## Egypt

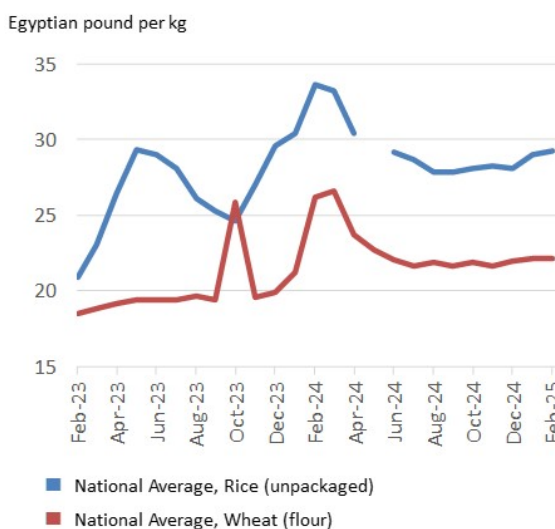
### Cereals Imports



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

## Egypt

### Retail prices of rice and wheat flour





# GIEWS Country Brief

## The Arab Republic of Egypt

Reference Date: 07-February-2025

### FOOD SECURITY SNAPSHOT

- Planting of 2025 crops completed in mid-January
- Cereal production in 2024 estimated at near-average level
- Cereal import requirements in 2024/25 forecast at below average level
- Food prices remained high in 2024
- Food security among refugees remain a concern in 2025

### Planting of 2025 crops completed in mid-January

Last October, the government increased the procurement price of wheat to 2 200 EGP/ardeb (about 300 USD/tonne) around one-fourth higher than international wheat prices, encouraging farmers to expand plantings which initiated in mid-November and completed in mid-January. The government aims to increase the country's wheat self-sufficiency from 49 percent in 2024 to 51 percent in 2025, while also diversifying the production of other exportable crops.

### Cereal production in 2024 estimated at near-average level

Cereal production in 2024 is estimated at near-average 23.7 million tonnes, reflecting sufficient water supply for irrigation and favourable weather conditions. Furthermore, production benefitted by the implementation of governmental measures aiming at increasing planted area and boosting yields, including the establishment of encouraging procurement cereal prices at the beginning of the season in November and the provision of subsidized seeds and modern mechanization services.

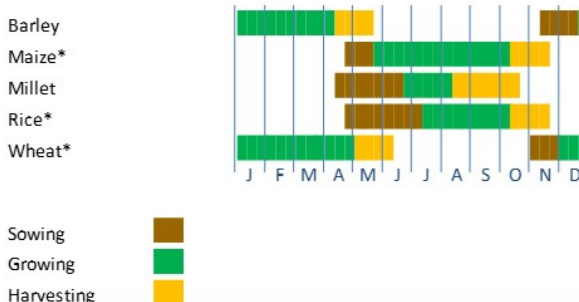
### Cereal import requirements in 2024/25 forecast at below-average level

Cereal import requirements for the 2024/25 marketing season (July/June) are forecast at about 21 million tonnes, slightly below-average. Wheat import requirements are projected at 12.5 million tonnes, 4 percent above average, mirroring low international prices and expanded storage facilities to maintain strategic stocks covering four months of national consumption. Maize imports, mostly used for feed, are expected to increase by 4 percent year-on-year, reflecting the gradual growth in domestic poultry meat production, but remaining at below-average level.

### Egypt

Crop Calendar

(\*major foodcrop)



### Egypt

#### Cereal Production

	2019-2023	2023	2024	change
	average		estimate	2024/2023
	000 tonnes			percent
Wheat	9 245	9 100	9 400	3.3
Maize	7 442	7 130	7 206	1.1
Rice (paddy)	5 776	5 830	6 100	4.6
Others	1 024	1 011	1 022	1.1
<b>Total</b>	<b>23 487</b>	<b>23 071</b>	<b>23 728</b>	<b>2.8</b>

Note: Percentage change calculated from unrounded data.

## Food prices remained high in 2024

As of mid-2024, food inflation followed a decreasing trend, reaching 20.3 percent in December 2024, down from record high 71 percent in September 2023. However, despite the slowdown, food prices remained high in 2024, reflecting the regional economic crisis, the domestic currency devaluation and the cuts in food subsidies. The Egyptian pound reached over 50 EGP/USD in December 2024, its highest rate since the transition from government-controlled to market-driven exchange rate in March 2024. In June 2024, the subsidized price of bread loaf increased by four times, from 0.05 EGP to 0.20 EGP per loaf, marking the first price increase in more than 30 years.

## Food security among refugees remain a concern in 2025

As of December 2024, over 877 000 refugees were registered with the United Nations High Commissioner for Refugees (UNHCR) in the country, nearly doubling the number from the previous year, mostly Sudanese people fleeing from conflict affected areas. According to the UNHCR, the number of registered refugees is expected to reach 1 million by mid-2025. Poor livelihoods and difficulties in obtaining residency permits are making it challenging for many refugees to enter the labour market and limiting their access to public services and essential humanitarian needs including healthcare, food, water and sanitation.

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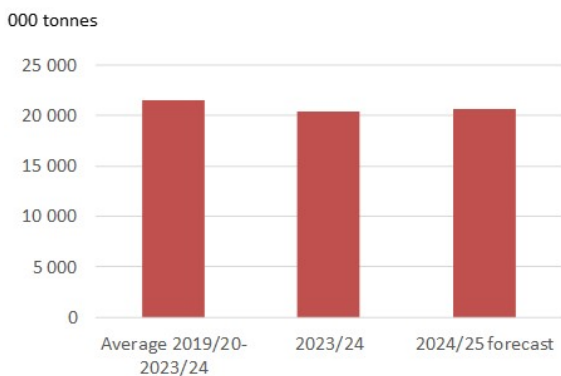
FAO/GIEWS Earth Observation for Crop Monitoring

<https://www.fao.org/giews/earthobservation/>

Integrated Food Security Phase Classification (IPC) <https://www.ipcinfo.org/>

## Egypt

### Cereals Imports



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



# GIEWS Country Brief

## The Arab Republic of Egypt

Reference Date: 07-February-2024

### FOOD SECURITY SNAPSHOT

- Near-average cereal production estimated in 2023
- Close-to-average import requirements in 2022/23 marketing year
- Food price inflation peaked at 74 percent in September 2023

### Near-average cereal production estimated in 2023

Planting of 2024 winter cereals was completed in December 2023 and their harvest will start at the end of April 2024. Cereals are grown on irrigated fields, resulting in relatively stable yields year-on-year. Above-average temperatures at the beginning of 2024, coupled with above-average rainfall amounts, favoured crop growth.

Aggregate 2023 cereal production is estimated at 24 million tonnes, about 4 percent above the five-year average. Wheat represents about 40 percent of total cereal production. Wheat production in 2023 is estimated at 9.7 million tonnes, about 7 percent higher compared to the five-year average. To support wheat production and increase purchases of grains by the Ministry of Supply and Internal Trade, almost two weeks before the start of the planting season of the 2024 wheat crop, the government announced the decision to increase the procurement price from EGP 885/ardeb (150 kg) in the previous marketing year to EGP 1 600/ardeb (150 kg).

By November 2023, maize harvesting was finalized. Maize production in 2023 was estimated at a near-average level of 7.1 million tonnes, mainly due to adequate availability of irrigation water from the Nile during the whole growing season.

### Cereal import requirement forecast below average in 2023/24

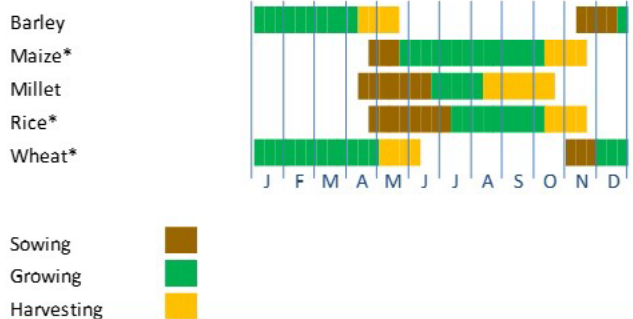
In the 2023/24 marketing year (July/June), total cereal import requirements are forecasted at 20 million tonnes, almost 8 percent below the five-year average level.

As of January 2024, the government announced that the national strategic reserves of wheat were sufficient to cover national consumption needs for 4.8 months. Wheat imports for the current 2023/24 marketing year (July/June) are forecast at 11.5 million tonnes, about 4 percent below the previous year.

### Egypt

Crop Calendar

(\*major foodcrop)



### Egypt

#### Cereal Production

	2018-2022 average	2022	2023 estimate	change 2023/2022
	000 tonnes			percent
Wheat	9 082	9 800	9 700	-1.0
Maize	7 019	7 500	7 130	-4.9
Rice (paddy)	5 328	5 300	5 600	5.7
Others	970	1 031	963	-6.6
<b>Total</b>	<b>22 400</b>	<b>23 631</b>	<b>23 393</b>	<b>-1.0</b>

Note: Percentage change calculated from unrounded data.

The war in Ukraine led to an increase in wheat prices at international level since early 2022 affecting particularly the trade of wheat in the country, the world's largest importer. The share of wheat imports from Ukraine decreased from 30 to 13 percent in the 2022/23 marketing year, while imports from the Russia Federation increased from 46 to 80 percent.

The country started to diversify its import partners to secure a stable wheat supply and shifting towards direct wheat purchases to negotiate prices in addition to international tenders. The government gave to the General Authority for Supply Commodities (GASC) the right to contract directly with any government or company. The government withdrew from the Grains Trade Convention in June 2023 reporting to limited action from the organization to address the increasing of wheat prices during the war in Ukraine.

## Food price inflation lingers at high level

Food inflation has steadily increased since January 2023. In September 2023, the annual food price inflation was estimated at 74 percent compared to 48 percent registered in January 2023. As a consequence, the share of staple foods such as bread and rice consumed by households is expected to raise.

The Central Bank devalued the currency in January 2023 to EGP 24.74/USD 1. At the end of January 2024, USD 1 was selling for about EGP 30.90.

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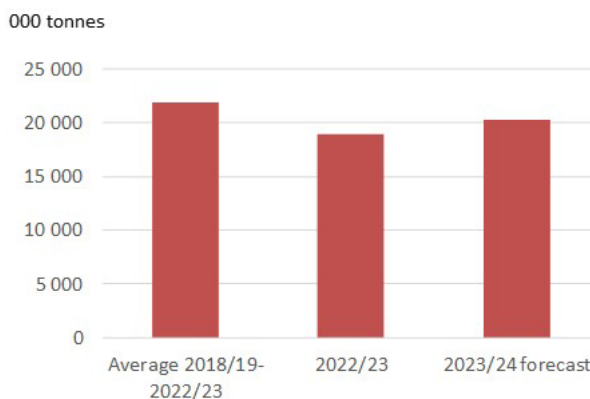
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## Egypt

### Cereals Imports



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



# GIEWS Country Brief Egypt

Reference Date: 25-August-2022

## FOOD SECURITY SNAPSHOT

- Slightly above-average cereal harvest forecast in 2022
- Close to average import requirements in 2022/23 marketing year
- Food price inflation stable in July 2022 but well above levels in 2021

## Slightly above average cereal outturn forecast in 2022

Harvesting of 2022 wheat and barley crops was completed by early June and was followed by sowing of the 2022 spring crops, primarily maize and rice. Cereal production is almost entirely irrigated, resulting in stable yields, with year-on-year production differences attributable to adjustments in the planted area and ongoing introduction of improved seed varieties, particularly of wheat.

In 2022, about 3.6 million feddans (1.52 million hectares) were reported to have been planted with wheat, up from 3.5 million feddans (1.46 million hectares) in the previous year. The total cereal output in 2022 is estimated at a slightly above-average level of 24 million tonnes, about 350 000 tonnes above the 2021 crop. At 9.7 million tonnes, wheat production is reported by the government to be about 7 percent above the previous year's harvest and almost 10 percent above the five-year average on the account of an area expansion and a broader use of improved seeds.

The 2022 wheat procurement season runs from 1 April to 30 August. As of mid-August 2022, the Ministry of Supply and Internal Trade purchased about 3.92 million tonnes of local wheat, lagging behind the target of 6 million tonnes, but slightly more than 3.43 million tonnes purchased in 2021. Depending on quality and moisture levels, the 2022 procurement prices ranged from EGP 865 to EGP 885 per ardeb (150 kg, corresponding to USD 300 to USD 308 per tonne using exchange rates applicable in April 2022 after the currency devaluation in March 2022), up from EGP 705 to EGP 725 (USD 298 to USD 307 per tonne using exchange rates from 2021) in 2021. The procurement prices are derived from a moving average of prices paid for imported wheat in the previous two months.

The government aims to raise the country's self-sufficiency in

## Egypt

### Crop Calendar

(\*major foodcrop)



Source: FAO/GIEWS.

## Egypt

### Cereal Production

	2017-2021	2021	2022	change
	average		forecast	2022/2021
	000 tonnes			percent
Wheat	8 754	9 000	9 700	7.8
Maize	7 206	7 500	7 500	0.0
Rice (paddy)	5 910	6 200	5 800	-6.5
Others	997	974	1 031	5.9
<b>Total</b>	<b>22 868</b>	<b>23 674</b>	<b>24 031</b>	<b>1.5</b>

Note: percentage change calculated from unrounded data.

Source: FAO/GIEWS Country Cereal Balance Sheet.

wheat, through supporting domestic production among other areas, from about 50 percent in 2020 to 65 percent in 2025. While increases in the planted area (from 3.4 to 3.7 million feddans) as well as increases in average yields (from 2.7 to 3 tonnes per feddan) using improved seed varieties and better cropping practices are foreseen, a crucial part also rests on lowering the average per capita consumption, limiting food waste and increasing wheat flour extraction from 82 to 87.5 percent.

### Cereal import requirement forecast slightly above average in 2022/23

The overall cereal import requirement in the 2022/23 marketing year (July/June) is forecast at about 22.9 million tonnes, 11 percent higher than the imported quantity in 2021/22 but close to the five-year average level.

Wheat imports for the current 2022/23 marketing year (July/June) are forecast to reach 12.5 million tonnes, about 10 percent more than in the previous year. Between 2016 and 2020, the country sourced about 18 percent of its wheat imports from Ukraine, and 58 percent from the Russian Federation. The start of the war in Ukraine put a halt on marine exports from Ukraine. Although shipments of food from the Russian Federation were not subject to direct sanctions, restrictions on financing and insurance coverage slowed down the pace of exports. Consequently, Egypt – the world’s largest wheat importer – sought to diversify its import base. A number of countries, including India, Serbia and Portugal, were approved as new origins. The government also gave the GASC (the state buyer) the right to contract directly with any government or company to purchase wheat without the need to make an international tender, as was customary in the past.

Although the country terminated contracts for 240 000 tonnes of Ukrainian wheat, which were unable to be shipped due to blocked ports, wheat imports from the Russian Federation surged. Egypt received 1.056 million tonnes of wheat from the Russian Federation in the March-May 2022 period, compared to about 573 000 tonnes in the same period a year earlier.

As of July, the country’s strategic reserves of wheat were sufficient to cover national consumption needs for 7 months. In March 2022, the Ministry of Trade and Industry banned the export of all types of wheat flour, wheat grain, pasta, beans, and lentils for a period of three months. The ban was extended for another three months.

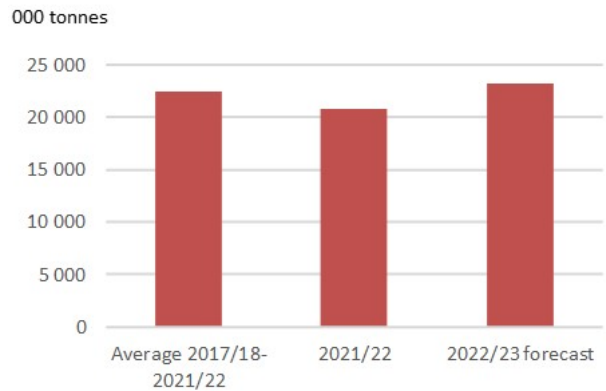
### Food price inflation stable in July 2022 but well above 2021 levels

In July 2022, the annual food price inflation was estimated at 22.4 percent, about the same as in June 2022, but well above the single digit values registered a year ago. The increases were driven by strong international commodity prices and a weakening currency.

The Central Bank devalued the currency in March 2022 to 18.171 per USD to help alleviate the pressure on the foreign exchange reserves. In August, USD 1 was selling for about EGP 19. The country’s foreign reserves were estimated at USD 33.14 billion at the end of July 2022, down from USD 40.8 billion in September 2021, reflecting higher international commodity prices and consequently higher import bills. The government remains in negotiations with the IMF regarding a loan programme.

## Egypt

### Cereals Imports



Notes: 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.

In the 2022/23 fiscal year (July/June), the government allocated EGP 356 billion (USD 18.5 billion) for various social protection programmes, including EGP 90 billion (USD 4.68 billion) to cover food subsidies; bread subsidies account for EGP 55 billion (USD 2.86 billion). In the 2021/22 fiscal year, the resources to finance subsidies on food commodities amounted to about EGP 87.22 billion (USD 5.56 billion at the 2021 exchange rates), of which EGP 50.62 billion was used to subsidize the retail price of bread.

About 71 million people, over 70 percent of the country's population, benefit from a subsidy card programme that entitles them to EGP 21 (USD 1.1) worth of goods per month in addition to five loaves of bread per day. Despite the current situation on the international wheat markets, no changes are being made to the subsidized bread programme, which continues to be provided to citizens at 5 piasters (EGP 0.05 or USD 0.0026) per loaf.

In July 2022 the government announced that it would add a bonus of EGP 100 (USD 5.29) per month to each ration card for a period of six months to help citizens from more vulnerable social groups (pensioners, families, and public employees on low salaries) to cope with the increasing food prices.

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# GIEWS Country Brief Egypt

Reference Date: 16-November-2021

## FOOD SECURITY SNAPSHOT

- Maize and rice harvests nearing completion, winter cereal planting underway
- Average cereal harvest forecast in 2021
- Slightly above-average import requirements forecast for 2021/22 marketing year
- Food price inflation increased in September 2021

## Maize and rice harvests nearing completion, winter cereal sowing underway

Harvesting of 2021 maize and rice crops is nearing completion. Sowing of the 2022 winter wheat crop is expected to be completed by the end of November. A small winter barley crop will be sowed from mid-November. Weather conditions are favourable for all ongoing agricultural operations.

The plan for the 2021/22 crop year, the planting of which is ongoing, calls for 3.5 million feddans (1.46 million hectares) to be planted with wheat, about the same as in 2020/21. Cereals are grown on irrigated fields, resulting in relatively stable yields. The prices for winter cereal seeds for the current planting season increased compared to the previous season: a bag (30 kg) of wheat seeds costs EGP 260 (USD 16.50), up from EGP 215 (USD 13.67) in 2020. The price of a bag of barley seed increased from EGP 185 (USD 11.76) to EGP 250 (USD 15.86).

## Average cereal crop forecast in 2021

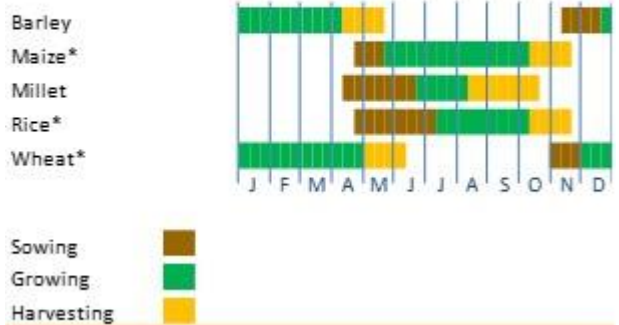
The 2021 cereal output is estimated at an average level of 23.8 million tonnes. At 9 million tonnes, the 2021 wheat production is expected to remain at the same level as the previous year and the five-year average.

During the 2021 wheat procurement season, running from 15 April to 15 July, the Ministry of Supply and Internal Trade purchased about 3.428 million tonnes of local wheat, lagging behind the target of 3.6 million tonnes, and slightly less than 3.483 million tonnes purchased in 2020. Depending on quality and moisture levels, the 2021 procurement prices ranged from EGP 705 to EGP 725 per ardeb (150 kg, corresponding to USD 298 to USD 307 per tonne), up from EGP 670 to EGP 700 (USD 284 to USD 297 per tonne) in 2020. The procurement prices are derived from a moving average of prices paid for imported wheat in the previous two months.

## Egypt

Crop Calendar

(\*major foodcrop)



Source: FAO/GIEWS.

## Egypt

### Cereal Production

	2016-2020 average	2020	2021 estimate	change 2021/2020
	000 tonnes			percent
Wheat	8 822	9 000	9 000	0.0
Maize	7 270	7 577	7 500	-1.0
Rice (paddy)	6 276	6 540	6 300	-3.7
Others	986	964	975	1.1
<b>Total</b>	<b>23 355</b>	<b>24 081</b>	<b>23 775</b>	<b>-1.3</b>

Note: percentage change calculated from unrounded data.

Source: FAO/GIEWS Country Cereal Balance Sheet.

The government aims to increase the country's self-sufficiency from about 50 percent in 2020 to 65 percent in 2025. While increases in planted area (from 3.4 to 3.7 million feddans) as well as increases in average yields (from 2.7 to 3 tonnes per feddan) using improved seeds and better cropping practices are foreseen, a crucial part rests on lowering average per capita consumption from over 180 kg to 150 kg. In 2020, the weight of a subsidized bread was unified from 100 to 110 grams to 90 grams, resulting in a decline of wheat used for production of subsidized bread from 9.6 million to 8.76 million tonnes.

In 2021, the better enforcement of restrictions to limit rice cultivation, imposed by the law governing water resources and preventing salinization, shifted some land to cotton and maize crops, that were also receiving higher prices. Cotton prices, at EGP 3 900 per quantar (about 157 kg of seed cotton, corresponding to USD 248) increased by 70 percent compared to last year. The cotton area increased to 236 000 feddans (about 100 000 hectares), up from 183 000 feddans in 2020.

In 2021, the allotted rice cultivation area in nine governorates was 1.074 million feddans (about 451 000 hectares). In the past, farmers used to cultivate an estimated additional 200 000 to 300 000 hectares illegally, but in 2021 this area was not planted. Distribution of new high yielding varieties of rice in the allotted cultivation area buffered the decline in 2021 production.

### Cereal import requirements forecast slightly above average in 2021/22 marketing year

The overall cereal import requirements in the 2020/21 marketing year (July/June) are forecast at about 24.2 million tonnes, close to the previous year's level and 10 percent higher than the five-year average.

Wheat imports for the current 2021/22 marketing year (July/June) are estimated at 13 million tonnes, about 7 percent more than the average imports in the previous year. Currently, the three largest suppliers are the Russian Federation, Ukraine and Romania. However, the export tariffs imposed by the Russian Federation are likely to result in some changes in import origins.

The Ministry of Supply estimates the current wheat storage capacity in silos at 3.4 million tonnes, up from 1.2 million tonnes in 2014. As of early November, the strategic reserves of wheat were sufficient to cover domestic utilization needs for six months.

Following the COVID-19-induced decline in agricultural exports in 2020, the exports during the first nine months of 2021 increased by over 14 percent compared to the same period in 2020. The main exports are citrus fruits, potatoes and other types of fruits and vegetables.

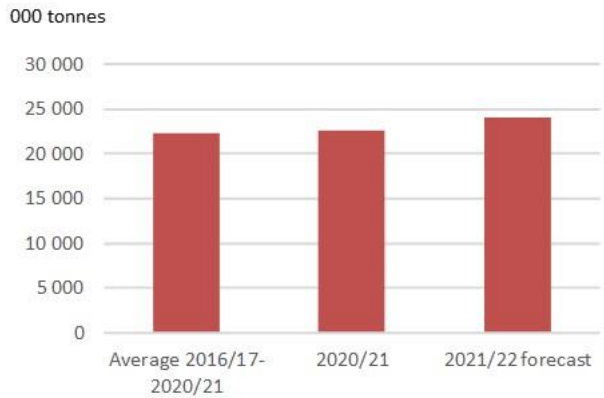
### Food price inflation increased in September 2021

In September 2021, the annual food price inflation was estimated at 10.6 percent, up from 6 percent in August 2021 and well above the negative values in September 2020. The increase in September 2021 was mostly on the account of strengthening prices of fresh vegetables. The annual consumer price inflation was estimated at 8 percent in September 2021, up from 3.3 percent in September 2020.

The country's foreign reserves reached USD 40.8 billion at the end of September 2021, up from USD 38.4 billion in

## Egypt

### Cereals Imports



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.

September 2020, but down from the USD 45.5 billion in February 2020. Foreign reserves run down in 2020 to cope with the measures introduced to contain the spread of the COVID-19 pandemic and are currently slowly recovering, although increases in world commodity prices are likely to constrain their purchasing power on the international markets.

About 71 million people, over 70 percent of the country's population, benefit from a subsidy card programme that entitles them to EGP 21 (USD 1.16) worth of goods per month in addition to five loaves of bread per day. The government is considering increasing the price of subsidised bread which is currently EGP 0.05 (5 piasters or USD 0.0032) and it did not change during the last 30 years, but the new price will unlikely reach the real cost of production of EGP 0.67. The resources to finance subsidies on food commodities during the 2021/22 fiscal year (July/June) amount to about EGP 87.22 billion (USD 5.56 billion), of which EGP 50.62 billion is to subsidize bread. In the 2020/21 fiscal year, the bread and food subsidy allocation amounted to EGP 84.5 billion (USD 5.4 billion).

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# GLEWS Country Brief Egypt

Reference Date: 30-October-2020

## FOOD SECURITY SNAPSHOT

- Maize and rice harvests underway, winter cereal planting to start in November
- Average cereal harvest forecast in 2020
- Slightly above-average import requirements forecast for 2020/21 marketing year
- Negative food price inflation prevails in 2020

## Maize and rice harvests underway, winter cereal planting starting shortly

Harvesting of 2020 maize and rice crops, expected to be completed by November, is ongoing under favourable conditions. Sowing of the 2021 winter wheat will start shortly after, followed by sowing of winter barley.

Cereals are grown on irrigated fields, resulting in relatively stable yields. About 3.4 million feddans (equivalent to 1.42 million hectares) were planted with wheat in the 2019/20 cropping year, slightly more than 3.27 million feddans (1.37 million hectares) planted in the previous year. The plan for the 2020/21 crop year calls for 3.6 million feddans (1.51 million hectares) to be planted with wheat. In 2020, the area cultivated with maize reached 2.61 million feddans (1.1 million hectares), slightly above the 2.56 million feddans (1.07 million hectares) in 2019.

Ahead of the 2020 harvest, the farm gate price of paddy rice decreased to EGP 2 000-EGP 3 000 (USD 125-USD 188), down by 33 percent compared to the previous year. The rice is being harvested from 1.5 million feddans (630 000 hectares), well above the limit of the 1.08 million feddans (452 000 hectares) set by the Ministry of Water Resources and Irrigation to limit the area planted and save water.

## Average cereal crop forecast in 2020

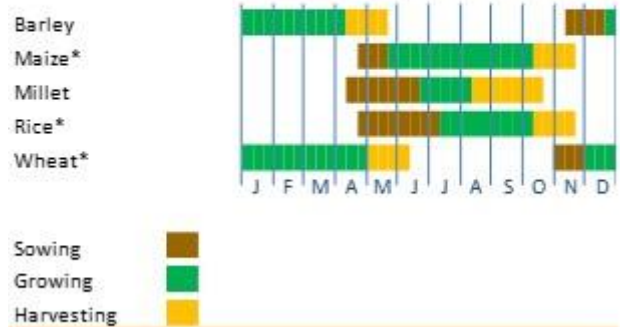
The 2020 cereal output is forecast at 24.7 million tonnes, slightly up from the level of the previous year and the five-year average. At 9 million tonnes, wheat production is estimated to remain at the same level as the previous year and the five-year average.

In the 2020 wheat procurement season, running from 15 April to 15 July, the General Authority for Supply Commodities (GASC) purchased 3.6 million tonnes (out of which about 100 000 tonnes is for seeds), up from the 3.27 million tonnes purchased in the previous year. The 2020 procurement prices announced in

## Egypt

Crop Calendar

(\*major foodcrop)



Source: FAO/GIEWS.

## Egypt

### Cereal Production

	2015-2019 average	2019	2020 forecast	change 2020/2019
	000 tonnes			percent
Wheat	9 034	9 000	9 000	0.0
Maize	7 783	7 450	7 500	0.7
Rice (paddy)	6 464	6 690	7 200	7.6
Others	978	1 006	1 056	5.0
<b>Total</b>	<b>24 258</b>	<b>24 146</b>	<b>24 756</b>	<b>2.5</b>

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

March 2020 range from USD 284 to USD 297 per tonne (EGP 670-EGP 700 per ardeb or 150 kg) based on quality and moisture levels, up from the USD 251-USD 263 per tonne (EGP 665-EGP 685 per ardeb or 150 kg) applied in 2019. The procurement prices are derived from a moving average of prices paid for imported wheat in the previous two months.

Although supply chains in the country have generally shown resilience during the COVID-19 pandemic, the citrus exports declined by almost 18 percent in the first nine months of 2020 compared to the same period in 2019 due to the suspension of air, land and maritime transport links. The ban suspending exports of broad beans to ensure adequate supplies on the domestic market was extended for an additional three months in September.

To develop internal trade, increase market participation of smallholder farmers and limit price volatility, in September 2020, the country established the Egyptian Commodities Exchange Company to trade wheat, vegetable oil, sugar and rice, all commodities with large market volumes and easy storage.

### Cereal import requirements forecast slightly above average in 2020/21 marketing year

The overall cereal import requirements in the 2020/21 marketing year (July/June) are forecast at about 24.2 million tonnes, close to the previous year's level and 10 percent higher than the five-year average.

The country remains the world's largest wheat importer. Wheat imports for the current 2020/21 marketing year (July/June) are estimated at 13.5 million tonnes, about 500 000 tonnes more than in the previous year and about 10 percent above the average of the last five years. The three largest suppliers remain the Russian Federation, Ukraine and Romania. To diversify import sources, in 2020/21, the country imported also some small quantities of wheat from Poland.

To cope with the increased demand during the COVID-19 pandemic, the President gave instructions to import an additional 800 000 tonnes of wheat above the normally-contracted quantities. The Ministry of Supply and Internal Trade (MSIT) issued directives to maintain strategic stocks sufficient to cover the domestic needs for six months, up from the four months applied in the past. Quantities stored as of end-September, together with quantities already contracted, are expected to cover the domestic needs until mid-April 2021. The total storage capacity of the MSIT is currently 3.6 million tonnes.

Imports of white sugar were suspended for an additional three months in September 2020 to protect the national industry.

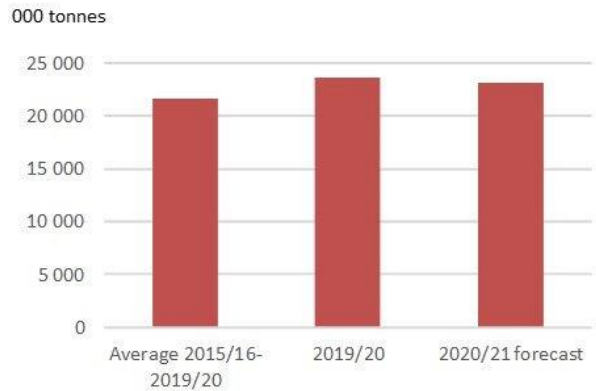
### Food price inflation negative in September 2020

In September 2020, the annual food price inflation registered a negative 3.5 percent, mostly on the account of decreasing prices of fresh vegetables. In the past 12 months, the food price inflation has generally been negative. The annual consumer price inflation recorded an increase of 3.3 percent in September.

About 71 million of the country's 99 million people benefit from a subsidy card programme that entitles them to EGP 21 (USD 1.16) worth of goods per month in addition to five loaves of bread per day. The MSIT issued a decree to reduce the weight of

## Egypt

### Cereals Imports



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.

the subsidized bread load to 90 gm, down from 110 gm, effective from 18 August 2020. The reduction in weight is expected to save about 1.5 million tonnes of wheat for subsidized flour per year. The Ministry also set the price of a 100 kg bag of flour at EGP 265 for bakeries that use diesel fuel and at EGP 283 for bakeries that use natural gas. The actual cost of producing subsidized bread is estimated at 67 Piasters, while consumers pay 5 Piasters (USD 0.03). Under the current system, 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. Plans are in place to convert subsidy cards into debit cards where citizens will receive a cash equivalent instead of a quantitative value of each commodity.

In the current fiscal year (2020/21), the economy is forecast to grow at 2.8 percent, down from the 3.5 percent recorded in the previous fiscal year. The decrease is mainly attributed to the partial lockdown introduced in March to contain the spread of COVID-19 pandemic and to the decrease in tourism.

The country's foreign reserves reached USD 38.4 billion in September 2020, up by USD 59 million from August 2020, but down from the USD 45.5 billion in February 2020. Foreign reserves were run down to cope with the measures introduced to contain the spread of the COVID-19 pandemic. Foreign reserves were declining until May when an emergency loan of USD 2.77 billion was granted by the International Monetary Fund (IMF), and the country sold USD 5 billion in Eurobonds in May. In July, the first tranche of USD 2 billion was received from the Stand-by Agreement loan from the IMF. The current level of foreign exchange is reported to cover eight months of commodity imports.

According to the Ministry of Planning, the measures introduced to contain the spread of the COVID-19 pandemic had an impact on about 70 percent of the workforce in the form of increased unpaid leave and reduced working hours. Precarious workers were particularly affected.

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# GLEWS Country Brief Egypt

Reference Date: 05-May-2020

### FOOD SECURITY SNAPSHOT

- Average wheat harvest expected in 2020
- Slightly above-average import requirements forecast for 2019/20 marketing year
- Food price inflation eased in March 2020

### Average wheat harvest expected in 2020

The 2020 wheat harvest will start in May. The harvest of the minor barley crop as well as the sowing of maize and rice, for harvest from October, are ongoing.

Cereals are grown on irrigated fields, yielding relatively stable harvests. About 3.4 million feddans (equivalent to 1.38 million hectares) were planted with wheat in the 2019/20 cropping year, slightly more than 3.27 million feddans (1.37 million hectares) planted in the previous year. The Ministry of Agriculture forecasts the 2020 wheat production to be at least 9 million tonnes, similar to last year and five-year average.

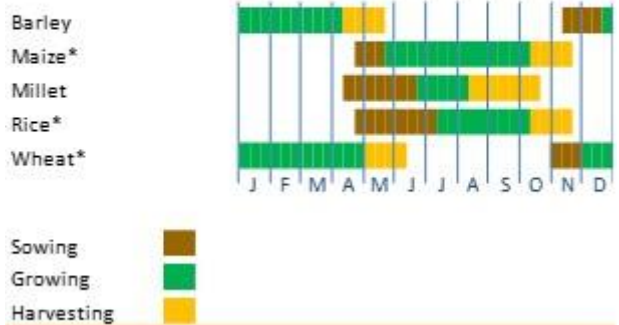
The 2020 wheat procurement season runs from 15 April to 15 July and the General Authority for Supply Commodities (GASC) aims to purchase 3.6 million tonnes, up from the 3.35 million tonnes purchased in the previous year. The procurement prices are derived from a moving average of prices paid for imported wheat in the previous two months. The 2020 procurement prices announced in March 2020 range from USD 284 to USD 297 per tonne (EGP 670-700 per ardeb or 150 kg) based on quality and moisture levels, up from the USD 251 to USD 263 per tonne (EGP 665-685 per ardeb or 150 kg) applied in 2019.

Prices of rice and maize seeds, planted now, did not change compared to the previous year. Rice grain seed sells for EGP 215 to USD 225 (USD 91-96) per 25 kg bag, while hybrid yellow corn for EGP 215 (USD 91) for a 5 kg bag. The Ministry of Water Resources and Irrigation continues to set limits on the area planted with rice to save water. For 2020, the area was set at 1.076 million feddans (452 000 hectares), similar to the previous years. Although farmers planting rice outside the quota are subject to penalties, about 760 000 hectares of rice were harvested in 2019, well above the limit.

## Egypt

Crop Calendar

(\*major foodcrop)



Source: FAO/GIEWS.

## Egypt

### Cereal Production

	2014-2018 average	2018	2019 estimate	change 2019/2018
	000 tonnes			percent
Wheat	9 090	8 800	9 000	2.3
Maize	7 905	7 300	7 450	2.1
Rice (paddy)	6 560	4 010	6 690	66.8
Others	976	1 052	1 006	-4.3
<b>Total</b>	<b>24 530</b>	<b>21 162</b>	<b>24 146</b>	<b>14.1</b>

Note: percentage change calculated from unrounded data.

Source: FAO/GIEWS Country Cereal Balance Sheet.

## Cereal import requirements forecast slightly above average in 2019/20 marketing year

The country remains the world's largest wheat importer. Wheat imports for the current 2019/20 marketing year (July/June) are estimated at 12.5 million tonnes, about the same as the previous year and about 15 percent above the average of the last five years. In the 2020/21 marketing year, wheat import requirements are expected to remain at the same level. The three largest suppliers in the 2019/20 marketing year (up to March 2020) were the Russian Federation (5.6 million tonnes), Ukraine (3.7 million tonnes) and Romania (1 million tonnes).

The overall cereal import requirements in the 2019/20 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.

In early April 2020, the Government reported that the country has strategic reserves to last for more than four months. No wheat is usually imported during the domestic harvest but, as part of the efforts to boost reserves of strategic commodities during the COVID-19 pandemic, the country was planning to import 800 000 tonnes of wheat in April.

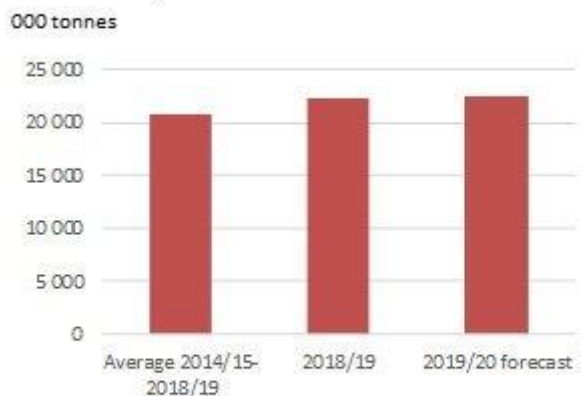
## Food price inflation eased in March 2020

In March 2020, the annual food price inflation registered a negative 1.7 percent, declining for the second consecutive month, mainly due to lower prices of fresh vegetables. The annual consumer price inflation recorded an increase of 5.1 percent in March, supported by higher tobacco prices after new taxes on tobacco products were introduced.

About 71 million of the country's 99 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 2019/20 fiscal year (July/June), the Government allocated EGP 89 billion (USD 5.7 billion) for the bread and food subsidy schemes, up by EGP 3 billion compared to the 2018/19 allocation. Almost 60 percent of the allocation is earmarked for the bread subsidy programme, while the rest to other food commodities. The Government is working on improving targeting of the subsidy programme based on a set of criteria, such as car ownership, enrolment of children in schools with high fees, etc.

## Egypt

### Cereals Imports



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.

## COVID-19 and measures adopted by the Government

The Government closed all public places on 24 March 2020 and introduced a night-time curfew.

To mitigate the economic impact of the outbreak, the Central Bank slashed its key interest rates by 3 percent to support economic activities across all sectors. A stimulus package of EGP 100 billion (USD 6.4 billion, corresponding to 2 percent of the GDP) was expanded to agriculture and food companies, including export terminals, to access soft loans. Half of the package targets the tourism industry. The Central Bank also postponed loan repayments for all business, farmers included, for six months. The moratorium on the tax law on agricultural land was extended for two years.

Various cash payments to the most vulnerable people, such as pensioners, were introduced. Informal and temporary workers are eligible to receive a monthly compensation of EGP 500 for three months.

National cash reserves decreased from USD 45.5 billion in February 2020 to USD 40 billion at the end of March 2020 as the country strived to protect local markets and imported strategic commodities to increase reserves of staple foods from the current three months to six months to ensure sufficient supplies on the domestic market during the outbreak.

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# 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.

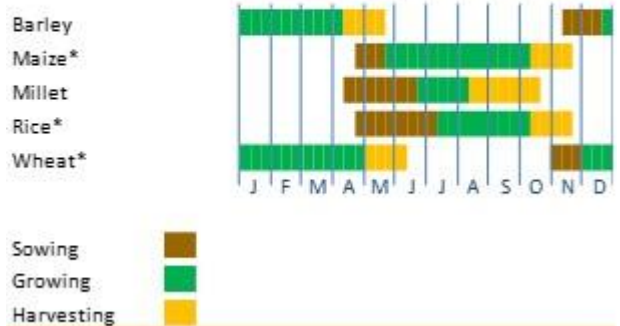
## Cereal import requirements forecast slightly above average

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

## Egypt

Crop Calendar

(\*major foodcrop)



Source: FAO/GIEWS.

## Egypt

### 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
<b>Total</b>	<b>23 606</b>	<b>21 974</b>	<b>22 123</b>	<b>0.7</b>

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.

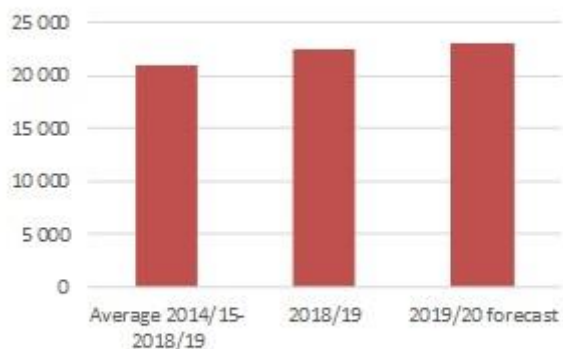
About 70 million of the country's 92 million people benefit from a subsidy card programme which entitles them to EGP 21 (USD 1.16) worth of goods monthly in addition to five loaves of bread per day at a EGP 0.05 per loaf (USD 0.01) – less than one-tenth of the actual cost. Bakeries are subsidized for 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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## Egypt

### 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.



# GIEWS Country Brief Egypt

Reference Date: 03-December-2018

## FOOD SECURITY SNAPSHOT

- Below average cereal harvest gathered in 2018
- Slightly above average import requirements estimated for 2018/19 marketing year
- Rising inflation rates due to increased energy and transportation costs

## Below average cereal harvest gathered in 2018

The 2018 wheat and barley harvest was completed by early June. Maize and rice harvests, which started in early October, are about to be completed. The 2018 cereal production is forecast at 22 million tonnes, about 5 percent below the 2017 level and almost 10 percent below average.

Cereals are grown on irrigated fields, yielding relatively stable harvests. About 1.3 million hectares were planted with wheat in 2018, yielding 8.8 million tonnes, the same as in the previous year, but slightly below average due to reduced plantings compared to the average. In the 2018 wheat procurement season running from 15 April to 15 June, the General Authority for Supply Commodities (GASC) purchased 3.15 million tonnes of local wheat at USD 213-224 per tonne (EGP 570-600 per ardeb or 150 kg) based on quality and moisture levels. The purchased amount was about the same as in 2017, but 2 million tonnes below the 2016 levels.

While production of other cereals remained relatively stable in 2018, the rice harvest declined by over 20 percent compared to last year and the average, mostly due to a decline in the planted area from 850 000 hectares in 2017 to 762 000 hectares in 2018. High temperatures contributed to decreased yields. Further declines in rice planted area are projected in 2019 as farmers are expected to continue shifting to crops with more competitive Government procurement prices such as cotton and maize.

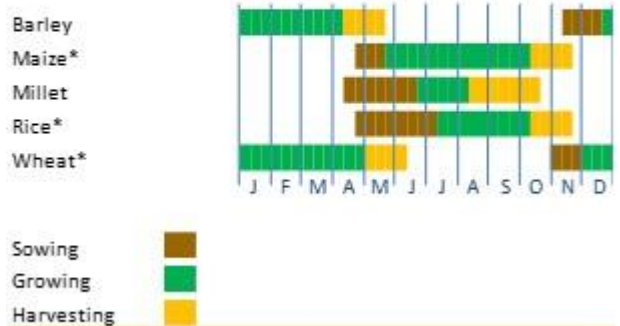
Winter wheat and barley, for harvest from May 2019, are currently being planted under favourable weather conditions.

## Cereal import requirements forecast slightly above average

The country remains the world's largest wheat importer. Wheat imports for the 2018/19 marketing year (July/June) are estimated at 12.5 million tonnes, about the same as the previous year and about 9 percent above the average for the last five years.

## Egypt

Crop Calendar (\*major foodcrop)



Source: FAO/GIEWS.

## Egypt

### Cereal Production

	2013-2017 average	2017	2018 forecast	change 2018/2017
	000 tonnes			percent
Wheat	9 230	8 800	8 800	0.0
Maize	7 784	7 100	7 300	2.8
Rice (paddy)	6 182	6 380	4 900	-23.2
Others	953	961	974	1.4
<b>Total</b>	<b>24 149</b>	<b>23 241</b>	<b>21 974</b>	<b>-5.5</b>

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

Between June and November 2018, the country imported 5.3 million tonnes of wheat, about the same as in the same period a year ago. The three largest suppliers in the 2017/18 marketing year were the Russian Federation (5.2 million tonnes), Romania (1.1 million tonnes) and Ukraine (355 000 tonnes). As of October 2018, the country maintained wheat reserves sufficient to cover its needs for 4.3 months.

The overall cereal import requirements in the 2018/19 marketing year (July/June) are forecast at about 22.1 million tonnes, about the same as in the previous year and 10 percent higher than the five-year average.

### Food inflation on the rise again

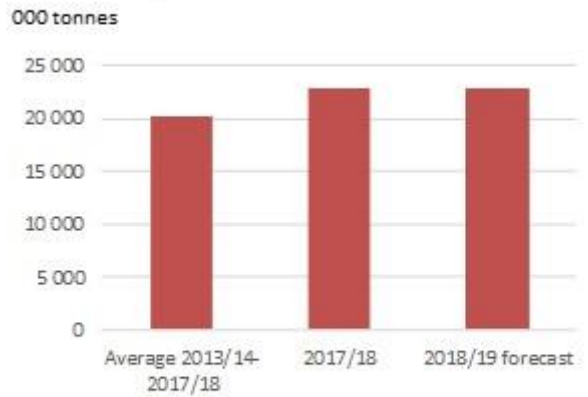
Following the sharp currency depreciation in November 2016, which pushed the annual food and beverage inflation rate gradually to almost 44 percent in April 2017, food inflation rested above 30 percent until November 2017, followed by a steady decline to about 10 percent between April and July 2018. Increased energy and transportation prices pushed food inflation up to 20 percent in October 2018.

Around 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 0.57. Under the current systems, beneficiaries can convert their unused “bread quota” into points to spend on 44 selected food products redeemable in State-owned shops or partnered private shops. For the 2018/19 fiscal year, 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 earmarked for the bread subsidy programme.

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## Egypt

### Cereals Imports



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.



## GIEWS Country Brief Egypt

Reference Date: 21-September-2017

### FOOD SECURITY SNAPSHOT

- Cereal crop production in 2017 forecast at average levels
- Import requirements estimated to increase slightly during 2017/18 marketing year
- Inflation rates at highest levels in last 30 years following sharp currency depreciation in November 2016

### Average cereal harvest forecasted

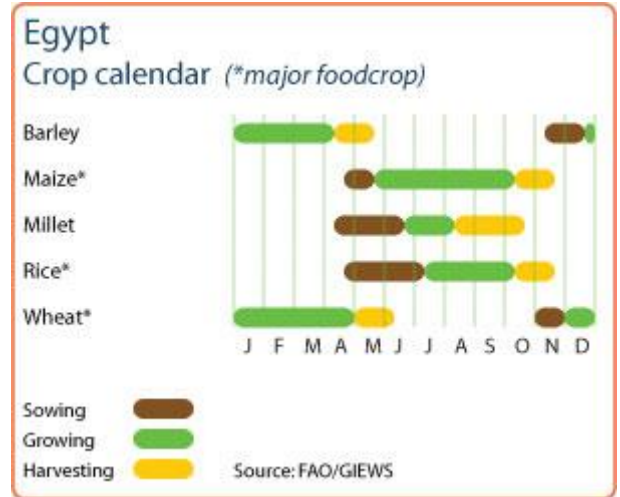
The 2017 wheat and barley harvest was completed by early June. Maize and rice crops will be harvested from early October. Across the country, normal climatic and supply conditions were reported. Cereals are grown on irrigated fields, yielding stable harvests. Some 1.26 million hectares were planted with wheat in the current season, about the same as average, yielding 8.8 million tonnes of wheat.

The Ministry of Supply and Internal Trade (MOSIT) purchased 3.4 million tonnes of local wheat at USD 210-218 per tonne (EGP 555- 575 per ardeb or 150 kg) based on quality and moisture levels. In the past, a fixed procurement price often well above international prices was announced at the beginning of the planting season to encourage farmers to increase the area planted to wheat and discourage farmers from switching to other crops.

### Cereal import requirements forecast slightly above average

The country remains the world's largest wheat importer. Wheat imports for the 2017/18 marketing year (July/June) are estimated at 12 million tonnes, about the same as the previous year and about 9 percent above the average for the last five years. The three largest suppliers in the 2016/17 marketing year were the Russian Federation (4.47 million tonnes), Romania (1.26 million tonnes) and Ukraine (560 000 tonnes). As of August 2017, the country maintained 4.86 million tonnes in wheat reserves, sufficient to cover its needs until February 2018.

The overall cereal import requirements in the 2017/18 marketing year (July/June) are forecast at around 22.1 million tonnes, some 2 million tonnes more than in the previous year and 17 percent higher than the five-year average.



Egypt  
Cereal production

	2012-2016 average	2016	2017 forecast	change 2017/2016
	000 tonnes			percent
Wheat	9 107	9 000	8 800	-2
Maize	7 622	7 000	7 100	1
Rice (paddy)	6 092	6 300	6 380	1
Others	860	820	861	5
<b>Total</b>	<b>23 681</b>	<b>23 120</b>	<b>23 141</b>	<b>0</b>

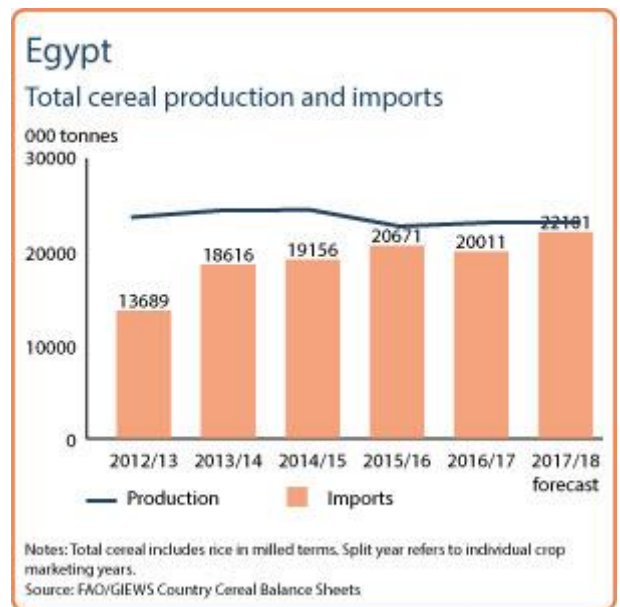
Note: percentage change calculated from unrounded data.  
Source: FAO/GIEWS Country Cereal Balance Sheets

## Elevated inflation rates persist

Following the sharp currency depreciation in early November 2016, the annual food and beverage inflation rate gradually increased from 13.8 percent in October 2016 to almost 44 percent in April 2017, marginally easing to 42 percent in August 2017. The general inflation rate in July 2017 reached 33 percent, the highest level in the last 30 years as higher domestic fuel prices push up distribution costs.

Around 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). Bakeries are subsidized for the difference in costs, currently about EGP 0.57. Under the current system, beneficiaries can convert their unused "bread quota" into points to spend on 44 selected food products redeemable in State-owned shops or partnered private shops. From August 2017, MOSIT stopped subsidizing flour used in bakeries selling subsidies bread. Instead, the subsidies are tied to the actual bread purchased by beneficiaries, saving EGP 8 billion (USD 447 million) on 2017/18 food subsidies.

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## GIEWS Country Brief Egypt

Reference Date: 19-May-2017

### FOOD SECURITY SNAPSHOT

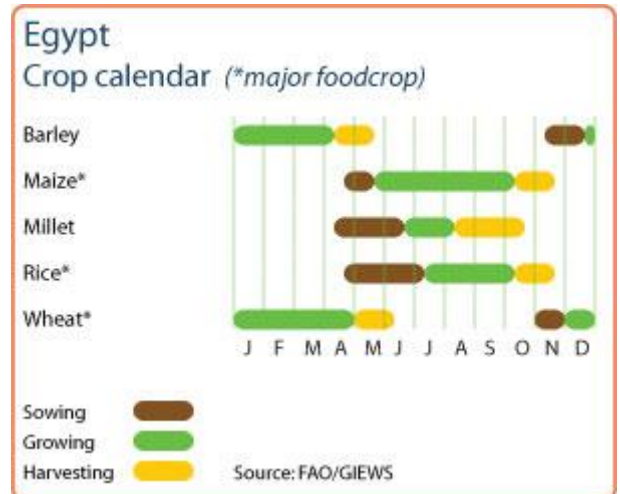
- Cereal crop production in 2017 forecast at average levels
- Import requirements estimated to remain at same level during 2016/17 marketing year
- Inflation rates at highest levels in last 30 years following sharp currency depreciated in November 2016

### Harvesting of 2017 winter grain crop underway

Harvesting of the winter wheat started in early May and is expected to finish in early June. Harvesting of winter barley, which started in mid-April, is nearing completion. Across the country, normal climatic and supply conditions were reported. Cereals in Egypt are grown on irrigated fields, yielding stable harvests. Actual production of individual cereals depends mostly on competition among crops.

For the domestic crop purchases, the Government announcement from January 2017 stipulated that the 2017 procurement price will be based on the average international price prevailing in the two months immediately prior to the purchase. The measure aimed to curb subsidies and fraud. In March 2017, responding to concerns about volatile exchange rates and local production costs, new fixed wheat procurement prices for the 2017 crop were announced. The average local procurement price of USD 214 per tonne is very close to the price paid by the country for its imported wheat in the last tender before the announcement. The actual procurement prices range from USD 210.2 to USD 217.8 per tonne (EGP 555- 575 per ardeb or 150 kg) depending on crop quality. The procured wheat could only be received in by silos and barns owned by holding companies belonging to the Ministry of Supply and Internal Trading to preserve the quality of the grains and no wheat will be received in dirt barns (“shonas”, the traditional flat storage system). In the past, a fixed procurement price often well above international prices was announced at the beginning of the planting season to encourage farmers to increase the area planted to wheat and discourage farmers from switching to other crops.

The Ministry of Finance allocated EGP 16 billion to purchase 4 million tonnes of local wheat.



Egypt  
Cereal production

	2012-2016 average	2016	2017 forecast	change 2017/2016
	000 tonnes			percent
Wheat	9,107	9,000	8,800	-2
Maize	7,622	7,000	7,100	1
Rice (paddy)	6,092	6,300	6,150	-2
Others	860	820	861	5
<b>Total</b>	<b>23,681</b>	<b>23,120</b>	<b>22,911</b>	<b>-1</b>

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

## Cereal import requirements forecast to remain stable

Egypt remains the world's largest wheat importer. Wheat imports for the 2016/17 marketing year (July/June) are estimated at 12 million tonnes, about the same as the previous year and about 1.3 million above the average for the last five years.

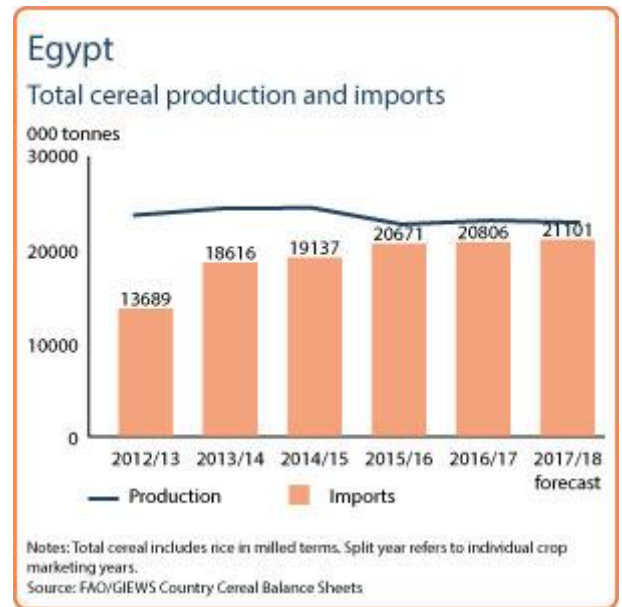
The overall cereal import requirements in the 2016/17 marketing year (July/June) are forecast at around 20.8 million tonnes, about the same as the previous year and 11 percent higher than the five-year average.

## Inflation rates increasing

Following the sharp currency depreciation in early November 2016, the annual food and beverage inflation rate gradually increased from 13.8 percent in October 2016 to almost 42 percent in March 2017. The general inflation rate in March 2017 reached 32.5 percent, the highest level in the last 30 years.

Reports indicate that a large share of Egyptians, once well-off, now struggle to cope in a collapsing economy and survive on handouts. The Egyptian Food Bank, one of the largest aid organizations feeding the hungry, increased handouts by one-fifth and launched a programme to support middle-class families falling into poverty.

Responding to the high inflation rates and in preparation for Ramadan, the Government is considering increasing food subsidies to poorer families. Around 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.





## GIEWS Country Brief Egypt

Reference Date: 28-November-2016

### FOOD SECURITY SNAPSHOT

- Average levels of cereal crop production; import requirements estimated to remain at same level during 2016/17 marketing year
- Inflation rates increasing, subsidy allocation decreased

### Planting of 2017 winter grain crop underway

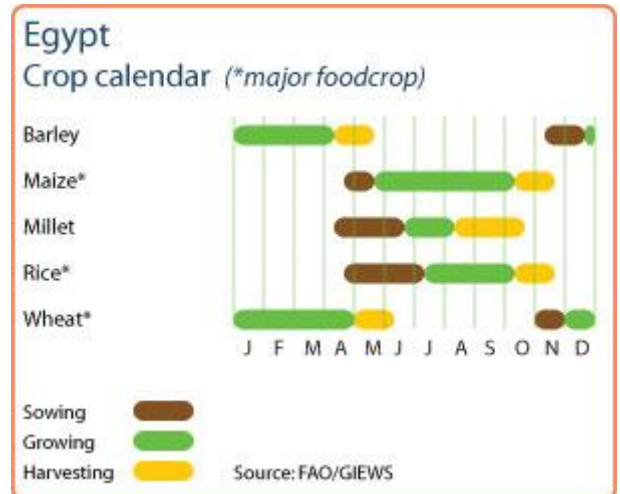
Sowing of the winter wheat usually takes place in November, while sowing of winter barley starts in mid-November and concludes in mid-December. In general, normal climatic and supply conditions were reported although in some areas of Delta and Upper Egypt flash floods following heavy rainfall submerged prepared agricultural land and claimed lives of 25 people.

Egypt set the wheat procurement price for next year's harvest at EGP 450/ardeb (150 kg), 7 percent higher than in the past years in local currency terms and slightly above the current level in the international market. However, following the sharp currency depreciation in early November, after the decision of the Central Bank of Egypt to let float the Egyptian Pound (EGP), the current purchasing price in USD (corresponding to about USD 195/tonne) is significantly lower than the last year's purchasing price of about USD 280/tonne. In November 2015, the Government considered replacing the procurement price policy with direct subsidies to farmers and the purchasing of the local wheat harvest at the average international price prevailing during the harvest time (April-June). However, the decision was subsequently reversed and the procurement policy reinstated to encourage farmers to increase the area planted to wheat.

The Government also increased the rice procurement price by 25 percent. To preserve water, Egypt will decrease the land area used for rice cultivation in the 2017 season by a third decree issued by the Ministry of Irrigation. Only selected governorates will be allowed to cultivate rice and unauthorized fields will be fined.

### Average cereal harvest gathered in 2016

Harvesting of the 2016 winter crops was completed in early June. The 2016 cereal harvest, at 22.1 million tonnes, is slightly up from the level of the previous year and about the same as the past five-year average. At 9 million tonnes, wheat production is estimated to remain at the same level as the previous year and the five-year average.



**Egypt**  
Cereal production

	2011-2015 average	2015	2016 estimate	change 2016/2015
	000 tonnes			percent
Wheat	8 989	9 000	9 000	0
Maize	6 257	6 000	6 000	0
Rice (paddy)	5 967	5 900	6 300	7
Others	844	815	820	1
<b>Total</b>	<b>22 056</b>	<b>21 715</b>	<b>22 120</b>	<b>2</b>

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

Since the 2013/14 season, the Government maintained high the procurement prices of wheat, at EGP 420/ardeb (USD 315/tonne) to encourage additional planting and discourage switching to other crops. In the 2016 wheat procurement season, the Ministry of Supply and Internal Trade procured close to 5 million tonnes of local wheat compared to 3.7 million tonnes purchased in 2015, above the previously-stated goal to buy 4 million tonnes. Some millers and traders expressed concerns that the figures may have been misreported.

### Cereal import requirements forecast to remain stable

Egypt remains the world's largest wheat importer. Wheat imports for the 2016/17 marketing year (July/June) are estimated at 12 million tonnes, about the same as the previous year and about 1.3 million above the average for the last five years.

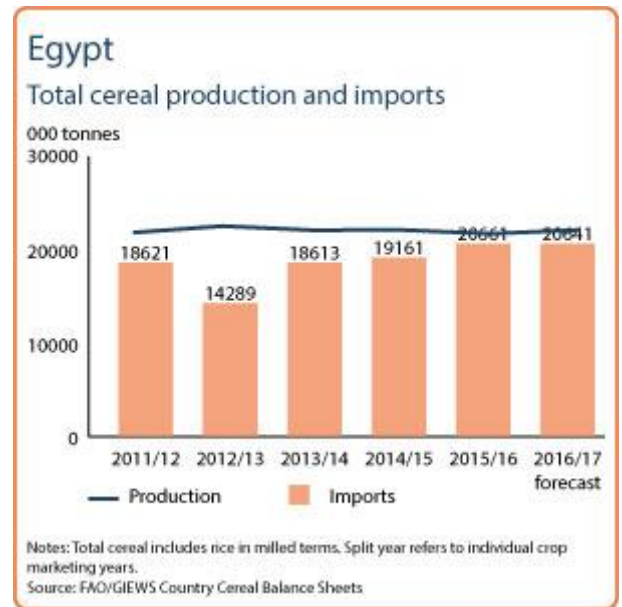
The overall cereal import requirements in the 2016/17 marketing year (July/June) are forecast at around 20.6 million tonnes, about the same as the previous year and 11 percent higher than the five-year average.

### Inflation rates increasing

The annual food and beverage inflation rate was 13.8 percent in October 2016, compared to 11 percent in September 2015. Following the sharp currency depreciation in early November 2016, increases in inflation are expected.

To mitigate the impact of the rising inflation due to the devaluation of the Egyptian Pound, the Government increased its food subsidy allocation by 20 percent per beneficiary in May 2016. As of 1 June 2016 each beneficiary is entitled to EGP 18/month (approximately USD 2) instead of EGP 15/month (approximately USD 1.7). Reports indicate that tens of thousands Egyptians, once well-off, now struggle to cope in a collapsing economy and survive on handouts. The Egyptian Food Bank, one of the largest aid organizations feeding the hungry, increased handouts by one-fifth and launched a programme to support middle-class families falling into poverty.

Currently, 67 million citizens (out of a total population of 92 million) are carrying the smart cards to benefit from the food subsidy system. The Ministry of Supply and Internal Trade is committed to reviewing eligibility criteria.





## GIEWS Country Brief Egypt

Reference Date: 2-August-2016

### FOOD SECURITY SNAPSHOT

- Average levels of cereal crop production; import requirements estimated to remain at same level during 2016/17 marketing year
- Inflation rates increasing, subsidy allocation decreased

### Average cereal harvest gathered in 2016

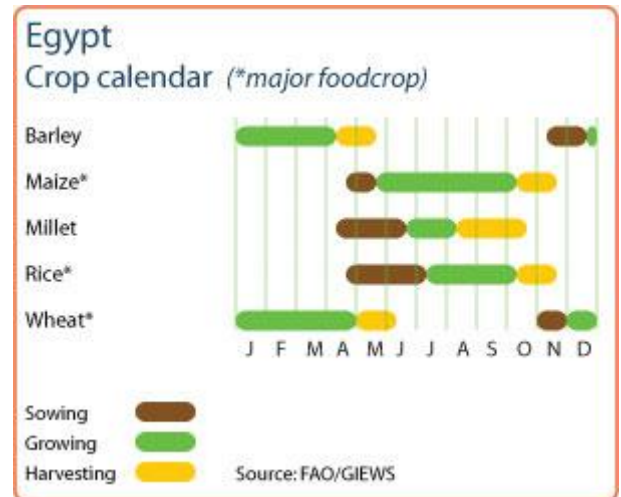
Harvesting of the 2016 winter crops was completed in early June. Figures released by the Ministry of Agriculture and Land Reclamation in March 2016 show a slight increase in the area planted to wheat (1.435 million hectares in 2015/16 compared to 1.418 million hectares in the previous year). The Ministry also reported normal availability of fertilizers, which in the past were seen as a constraint to production.

The 2016 cereal harvest, at 22.1 million tonnes, is slightly up from the level of the previous year and about the same as the past five-year average. At 9 million tonnes, wheat production is estimated to remain at the same level as the previous year and the five-year average. On the other hand, maize production is estimated to be below the average but about the same as last year.

Since the 2013/14 season, the Government maintained high procurement prices, at EGP 420/ardeb (USD 315/tonne of wheat) to encourage additional planting and discourage switching to other crops. The Ministry of Supply and Internal Trade ended the 2016 wheat procurement season in June. It procured close to 5 million tonnes of local wheat compared to 3.7 million tonnes purchased in 2015, above the previously stated goal to buy 4 million tonnes. Some millers and traders expressed concerns that the figures may have been misrepresented.

For the 2016 yellow maize crop, the price was set at EGP 2 100 per tonne (236 USD), encouraging domestic cultivation to reduce reliance on imported maize.

Elsewhere, the Ministry of Agriculture announced it would reclaim over 600 000 hectares of marginal or desert land for agricultural use. Only 3.6 percent of the total area is arable, with the most fertile soils located along the Nile River and its delta. Annual urban encroachment is estimated at 21 000 hectares. Reclamation includes drilling of irrigation wells, with water being sourced mostly from underground aquifers.



**Egypt**  
Cereal production

	2011-2015 average	2015	2016 forecast	change 2016/2015
	000 tonnes			percent
Wheat	8 989	9 000	9 000	0
Maize	6 257	6 000	6 000	0
Rice (paddy)	5 967	5 900	6 300	7
Others	844	815	820	1
<b>Total</b>	<b>22 056</b>	<b>21 715</b>	<b>22 120</b>	<b>2</b>

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

## Cereal import requirements forecast to remain stable

Egypt remains the world's largest wheat importer. Wheat imports for the 2016/17 marketing year (July/June) are estimated at 11.5 million tonnes, about the same as the previous year and about 1 million above the average for the last five years.

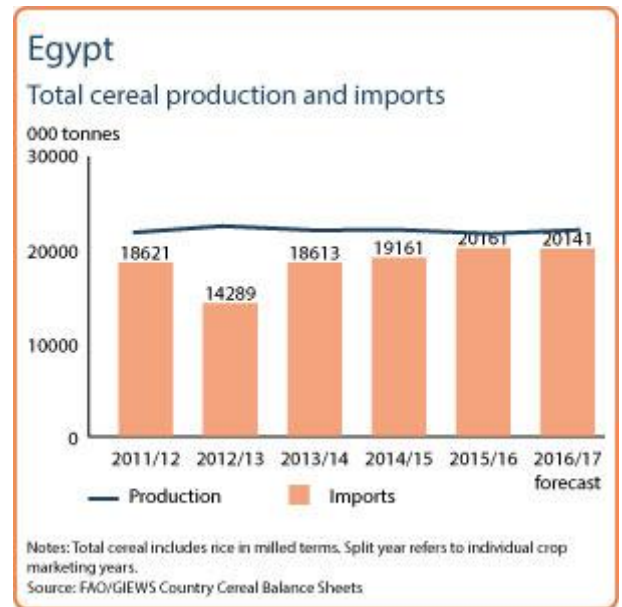
The overall cereal import requirements in the 2016/17 marketing year (July/June) are forecast at around 20.1 million tonnes, about the same as the previous year and 9 percent higher than the five-year average.

Following the internal disagreement on the levels on ergot in wheat earlier this year, when the General Authority for Supply Commodities allowed for a 0.05 percent ergot level (in line with the "Codex Alimentarius"), while the Central Authority of Plant Quarantine demands shipments to be completely free of ergot, in June 2016 the Cabinet backed a decision allowing shipments containing 0.05 percent of ergot.

## Inflation rates increasing, subsidy allocation increased

The annual food and beverage inflation rate was almost 17.6 percent in June 2016, compared to 11 percent in June 2015, supported by sharp currency devaluation in March 2016 when the Central Bank of Egypt devaluated the EGP by 12.6 percent to EGP 8.85 for USD 1, bringing it closer to the unofficial exchange rates.

To mitigate the impact of the rising inflation due to the devaluation of the Egyptian Pound, the Government increased its food subsidy allocation by 20 percent per beneficiary in May 2016. As of 1 June 2016 each beneficiary is entitled to EGP 18 /month (app. USD 2) instead of EGP 15 /month (app. USD 1.7).



Reference Date: 18-February-2016

### FOOD SECURITY SNAPSHOT

- Average levels of cereal crop production; import requirements estimated to remain at same level during 2015/16 marketing year
- Inflation rates increasing, electronic ration card gradually rolled out

### Planting of winter grains concluded in December

Planting of 2016 winter crops for harvest from mid-April 2016 was concluded in early December 2015. In some areas, heavy rains and local flooding challenged field work. Preliminary figures, released by the Ministry of Agriculture and Land Reclamation in early January 2016, show a slight decline in the area planted to wheat (1.326 million hectares in 2015/16 compared to 1.418 million hectares in the previous year) although the figure is likely to be revised. The Ministry also reported normal availability of fertilizers, which in the past were seen as a constraint to production.

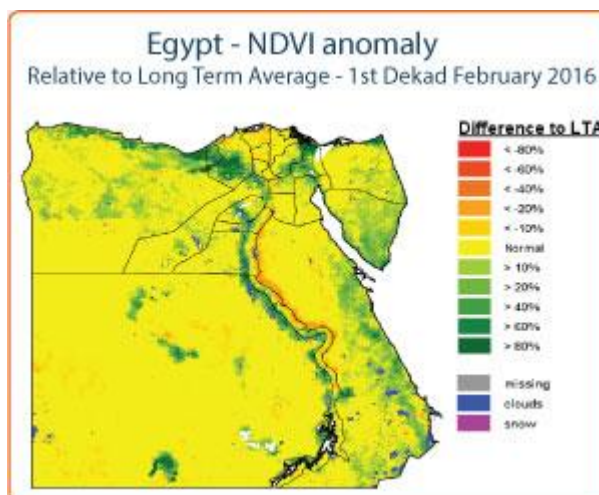
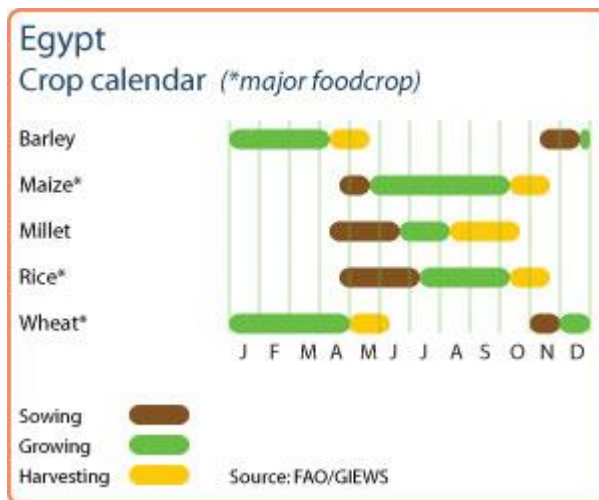
### Average cereal harvest gathered in 2015

The 2015 cereal harvest, at 21.7 million tonnes, was slightly up from the level of the previous year and more than 300 000 tonnes above the past five-year average. At 9 million tonnes, wheat production was estimated to remain on the same level as the previous year but some 7 percent above the five-year average. On the other hand, maize production was estimated to be below the average but slightly above 2014.

Since the 2013/14 season, the Government maintained high procurement prices, at EGP 420/ardeb (USD 400/tonne of wheat) to encourage additional planting and discourage switching to other crops. In November 2015, the Government announced that it would replace fixed prices with direct subsidies, providing each farmer with EGP 1 300/fedan (USD 162/fedan or USD 68/hectare) up to a maximum of 25 fedans per farmer. The Government would then purchase local wheat at the average global wheat prices prevailing during the harvest time. Following objections from farmers and agricultural cooperatives who argued that the current levels of support using fixed procurement prices were already insufficient and that the change would further decrease income and feasibility of farming, the Government reverted back to previous supported prices of EGP 420/ardeb.

A national silos construction project is reported to be progressing well and is expected to increase the country's wheat storage capacity from 1.5 million tonnes to almost 5 million tonnes; the new infrastructure is also expected to contribute to the minimization of post-harvest losses.

Efforts are underway to increase water and land productivity as well as to utilize drought-tolerant, higher-yielding wheat varieties. Among other initiatives, the African Development Bank approved a USD 50 million loan for the Egyptian National Drainage Programme to develop or improve irrigation systems and to avoid water logging and soil salinity. According to the Government, the programme is expected to boost crop productivity by 15 to 21 percent for selected strategic crops, including



### Egypt Cereal production

	2010-2014 average	2014	2015 estimate	change 2015/2014
	000 tonnes		percent	
Wheat	8 387	8 800	9 000	2
Maize	6 492	5 800	6 000	3
Rice (paddy)	5 652	6 232	5 900	-5
Others	851	808	815	1
<b>Total</b>	<b>21 382</b>	<b>21 640</b>	<b>21 715</b>	<b>0</b>

Note: percentage change calculated from unrounded data.  
Source: FAO/GLEWS Country Cereal Balance Sheets

wheat, and increase farm income by 40 percent for a typical 1 hectare farm.

In the livestock sector, in July 2015, the Government announced an increase in the funding to the “Veal Project” by EGP 300 million (USD 38 million) to make red meat more affordable. The original “Veal Project”, established in 2012 with EGP 450 million (USD 58 million), aims to improve livestock rearing to increase the rate of self-sufficiency in meat production by providing micro-credit loans to small farmers at a low interest rate of 4-7 percent, compared to the prevailing market rate of 16-20 percent. High input costs and large share of imported feed are the main constraints preventing livestock expansion.

## Cereal import requirements forecast at average levels

Egypt remains the world’s largest wheat importer. Wheat imports for the 2015/16 marketing year (July/June) are estimated at 11 million tonnes, about the same as the previous year and the average for the last five years.

The overall cereal import requirements in the 2015/16 marketing year (July/June) are forecast at around 19.3 million tonnes, about the same as the previous year and 9 percent higher than the five-year average.

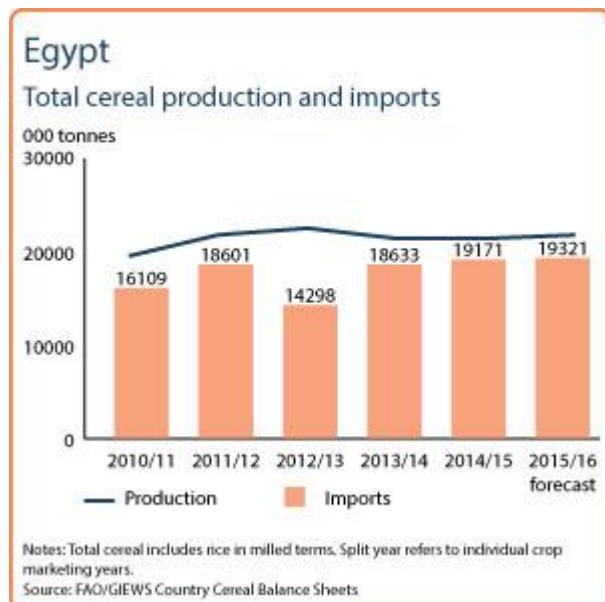
The country’s position with regard to tolerated ergot level is not clear at the moment. In January 2016, the General Authority for Supply Commodities has allowed for a 0.05 percent ergot level (in line with the Codex Alimentarius), while the Central Authority of Plant Quarantine demands shipments to be completely free of ergot.

## Inflation rates increasing, electronic ration card system for food gradually rolled out

The annual food and beverage inflation rate was almost 15 percent in December 2015, compared to 8 percent in August 2015, supported by sharp increases in fruit and vegetable prices.

Egypt is progressing on the rolling out of the ration card system for food subsidies. Subsidized bread continues to be sold at the same subsidized price of EGP 0.05 per loaf (free market price of EGP 0.35 per loaf) with a maximum of five loaves of bread per person. Bakers are no longer allowed to buy wheat flour at subsidized prices but will be reimbursed by the Government based on sales data gathered from the smart cards. The new ration card system provides citizens with 20 private and Government-procured products, including meat. It also aims to provide more balanced diets to the poor by extending the choice of commodities and contribute to the fiscal consolidation. Reports indicate that overall consumption in the areas where smart cards were already introduced decreased between 15 and 35 percent, presumably decreasing waste. A similar card system is being considered for fuel distribution.

According to UNHCR, as of December 2015, there were 120 000 registered Syrian refugees in Egypt.



Reference Date: 14-October-2015

### FOOD SECURITY SNAPSHOT

- Average levels of cereal crop production and import requirements estimated to remain same during 2015/16 marketing year
- Inflation rates easing after fiscal consolidation reforms and electronic ration card gradually rolled out

Harvesting of 2015 winter crops was concluded in June while harvesting of millet is ongoing. Harvesting of maize and rice is expected to start shortly. So far, normal weather conditions prevail.

### Average cereal harvest gathered in 2015

The 2015 cereal harvest, at 21.8 million tonnes, was similar to the level of last year and slightly above the past five-year average. At 9 million tonnes, wheat production is estimated to remain on the same level as last year but some 7 percent above the five-year average. On the other hand, maize production is likely to be below the average but slightly above last year.

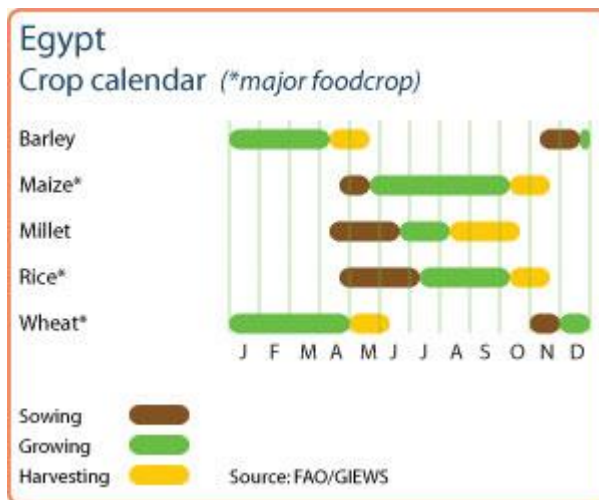
High Government procurement prices, at EGP 420/ardeb (USD 400/tonne) since the 2013/14 season, are also encouraging additional plantings. A national silos construction project is reported to be progressing well and is expected to increase the country's wheat storage capacity from 1.5 million tonnes to almost 5 million tonnes; the new infrastructure is also expected to contribute to minimization of post-harvest losses.

Efforts are underway to increase water and land productivity as well as to utilize drought-tolerant higher yielding wheat varieties. Among other initiatives, the African Development Bank approved a USD 50 million loan for the Egyptian National Drainage Programme to develop or improve irrigation systems and to avoid water logging and soil salinity. According to the Government, the programme is expected to boost crop productivity by 15 to 21 percent for selected strategic crops, including wheat, and increase farm income by 40 percent for a typical 1 hectare farm.

In the livestock sector, in July 2015 the Government announced an increase in the funding to the "Veal Project" by EGP 300 million (USD 38 million) to make red meat more affordable. The original "Veal Project", established in 2012 with EGP 450 million (USD 58 million) aims to improve livestock rearing to increase the rate of self-sufficiency in meat production by providing micro-credit loans to small farmers at a low interest rate of 4-7 percent, compared to the prevailing market rate of 16-20 percent. High input costs, and large share of imported feed are the main constraints preventing livestock expansion.

### Cereal import requirements forecast at average levels

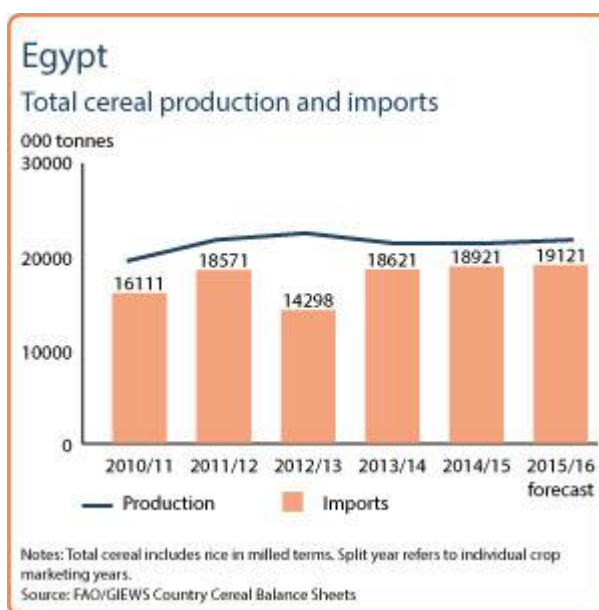
Egypt remains the world's largest wheat importer. Wheat imports for the 2015/16 marketing year are estimated at 11 million tonnes, about the same as the previous year and the average for the last five years.



### Egypt Cereal production

	2010-2014	2015		change
	average	2014	forecast	
	000 tonnes			percent
Wheat	8 387	8 800	9 000	2
Maize	6 492	5 800	6 000	3
Rice (paddy)	5 603	6 000	5 982	0
Others	855	818	819	0
<b>Total</b>	<b>21 337</b>	<b>21 418</b>	<b>21 801</b>	<b>2</b>

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



The overall cereal import requirements in the 2015/16 marketing year (July/June) are forecast at around 19.1 million tonnes, about the same as the previous year and 9 percent higher than the five-year average.

Government domestic purchases in 2015 amounted to about 5 million tonnes, compared to 4.25 million tonnes in the 2014/15 marketing year and 3.7 million tonnes purchased in 2013/14. The Government allocated EGP 10 billion (USD 1.3 billion) to local wheat purchases. Imported wheat is mixed with local wheat to increase its gluten content. According to local reports from September 2015, the strategic reserves of domestic and imported wheat for the production of subsidized bread are sufficient until March 2016.

### **Inflation rates easing, electronic ration card system for food gradually rolled out**

The annual food and beverage inflation rate was about 8 percent in August 2015, compared to 15 percent in May 2015 owing to a sharp decline in poultry prices.

The largest monthly increase of 3.5 percent in general inflation rate since 2008 was recorded in July 2014, following the fiscal consolidation programme of the Government which commenced the phasing out of energy subsidies. Among others, prices of diesel increased by 63 percent, gasoline by 40 to 78 percent (depending on the octane content) and electricity by 28 percent.

Egypt is progressing on the rolling out of the ration card system for food subsidies. Subsidized bread continues to be sold at the same subsidized price of EGP 0.05 per loaf (free market price of EGP 0.35 per loaf) with a maximum of five loaves of bread per person. Bakers are no longer allowed to buy wheat flour at subsidized prices but will be reimbursed by the Government based on sales data gathered from the smart cards. The new ration card system provides citizens with 20 private and Government-procured products, including meat. It also aims to provide more balanced diets to the poor by extending choice of commodities and contribute to the fiscal consolidation. Reports indicate that overall consumption in the areas where smart cards were already introduced decreased between 15 and 35 percent. A similar card system is being considered for fuel distribution.

According to UNHCR, as of mid-July 2015, there were 130 000 registered Syrian refugees in Egypt.

Reference Date: 16-February-2015

### FOOD SECURITY SNAPSHOT

- Average levels of cereal crop production and import requirements estimated in 2014/15
- Inflation rates easing after fiscal consolidation reforms and electronic ration card gradually rolled out

Planting of 2015 winter crops to be harvested from April, concluded in December. Vegetation response captured by the Normalized Difference Vegetation Index using satellite images suggests good establishment of winter crops.

### Average cereal harvest gathered in 2014

The 2014 cereal harvest, at 21.4 million tonnes, was similar to the level of last year and slightly below the past five-year average. At 8.8 million tonnes, wheat production is estimated to remain on the same level as last year but some 5 percent below the five-year average. Maize production is likely to be below the average but slightly above last year.

Efforts are underway to increase water and land productivity as well as to utilize drought-tolerant higher yielding varieties. Streamlining post-harvest handling, transportation and storage will also result in higher production. High Government procurement prices, at EGP 420/ardeb (USD 400/tonne) since the 2013/14 season, are also encouraging additional plantings. The Principal Bank for Development and Agricultural Credit is starting a programme to finance agricultural co-operatives to allow them to access funding before the wheat supply season. As a result of the subsidy reform of July 2014 (described in the inflation section), fertilizer prices were scheduled to increase by 33-50 percent, creating discontent among farmers. Local reports indicate unresolved issues regarding fertilizer availability and distribution given increasing costs of natural gas and unprofitable domestic fertilizer production.

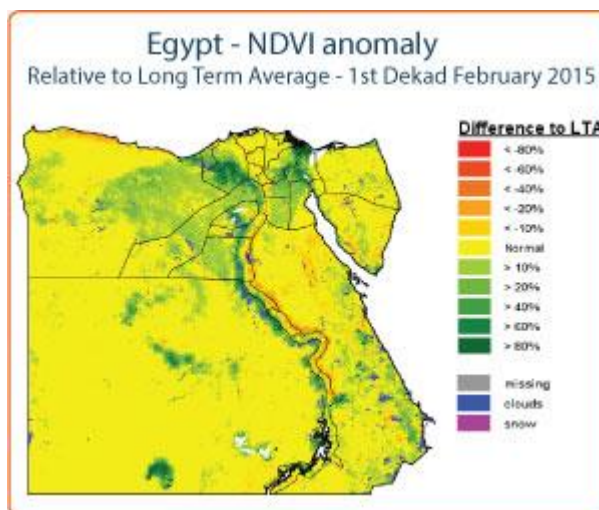
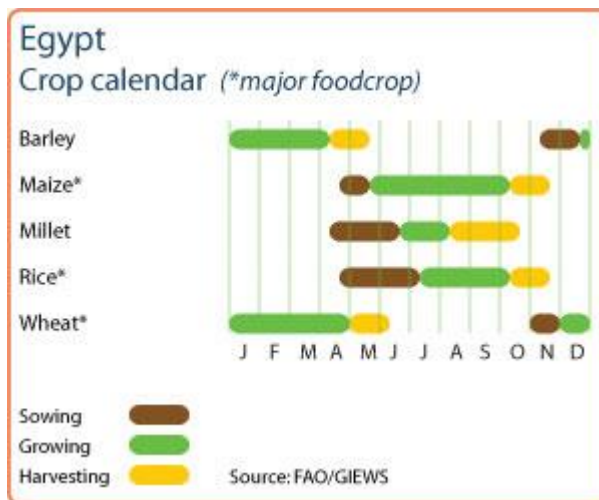
A national silos construction project is progressing to increase the country's wheat storage capacity from 1.5 million tonnes to almost 5 million tonnes by the end of 2015.

Elsewhere, from January 2015 the Government is no longer paying the subsidy of EGP 350 per qintar of cotton (160 kg), amounting to about 40 percent of the domestic market price. Farmers are encouraged to grow cotton only if they have contracts to sell it.

### Cereal import requirements forecast at average levels

Egypt remains the world's largest wheat importer. Cereal import requirements in the 2014/15 marketing year (July/June) are forecast at around 18.1 million tonnes, about the same as the previous year and 9 percent higher than the five-year average. Wheat imports for the 2014/15 marketing year are estimated at 10 million tonnes, about the same as the previous year and the average for the last five years.

The Government expects to purchase 4.25 million tonnes of wheat from local farmers in 2014/15, compared to 3.7 million tonnes purchased in 2013/14. Imported wheat is mixed with local wheat to increase its gluten



### Egypt Cereal production

	2009-2013 average	2013	2014 estimate	change 2014/2013
	000 tonnes		percent	
Wheat	8 332	8 800	8 800	0
Maize	6 869	5 700	5 800	2
Rice (paddy)	5 507	6 100	6 000	-2
Others	861	818	818	0
<b>Total</b>	<b>21 569</b>	<b>21 418</b>	<b>21 418</b>	<b>0</b>

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

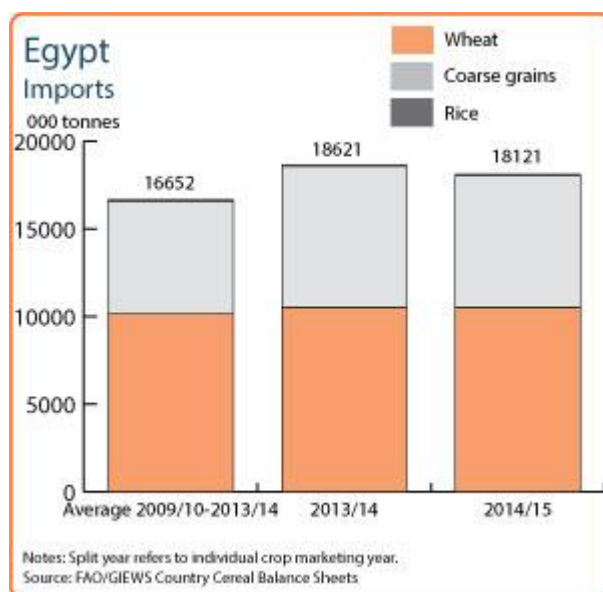
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## Inflation rates easing, electronic ration card system gradually rolled out

The annual food and beverage inflation rate was 9.66 percent in January 2015 compared to 10.13 percent in December 2014. The largest monthly increase of 3.5 percent in general inflation rate since 2008 was recorded in July 2014, following the fiscal consolidation programme of the Government which commenced the phasing out of energy subsidies. Among others, prices of diesel increased by 63 percent, gasoline by 40 to 78 percent (depending on the octane) and electricity by 28 percent.

Egypt is progressing on the rolling out of the ration card system for food subsidies. Subsidized bread continues to be sold at the same subsidized price of EGP 0.05 per loaf (free market price of EGP 0.35 per loaf) with a maximum of five loaves of bread per person. Bakers are no longer allowed to buy wheat flour at subsidized prices but will be reimbursed by the Government based on sales data gathered from the smart cards. The new ration card system, introduced so far in 17 out of Egypt's 29 provinces, provides citizens with 20 private and Government procured products, including meat. It aims to provide more balanced diets to the poor by extending choice of commodities and contribute to the fiscal consolidation. Reports indicate that overall consumption in the areas where smart cards were already introduced decreased between 15 and 35 percent.

According to UNHCR, as of mid-February 2015, there were 140 000 registered Syrian refugees in Egypt.



Reference Date: 10-November-2014

### FOOD SECURITY SNAPSHOT

- Above-average cereal crop forecast for 2014
- Average cereal import requirement envisaged
- High inflation rates as fiscal consolidation reforms are rolled out

## Favourable prospects for 2014 cereal crop production

Sowing of the 2015 barley and wheat crop is about to start, while harvesting of the 2014 maize and rice crop is nearing completion. Reports and satellite data indicate that the conditions for crop development in 2014 were favourable.

The 2014 cereal harvest, at 21.6 million tonnes, is forecast to be slightly above last year and the five-year average. Wheat production is estimated to have increased by 8 percent on the average to 9 million tonnes, while maize production is likely to be below the average but about the same as last year.

Efforts are underway to increase water and land productivity as well as to utilize drought-tolerant higher yielding varieties. Streamlining post-harvest handling, transportation and storage will also result in higher production. High Government procurement prices, at EGP 420/ardeb (USD 400/tonne) since 2013/14 season, are also encouraging additional plantings. The Principal Bank for Development and Agricultural Credit is starting a programme to finance agricultural co-operatives to allow them to access funding before the wheat supply season. The upcoming cropping season can be challenged by high prices of fuel and fertilizer as a result of the subsidy reform of July 2014 (described in the inflation section). Fertilizer prices were scheduled to increase by 50 percent, creating discontent among farmers.

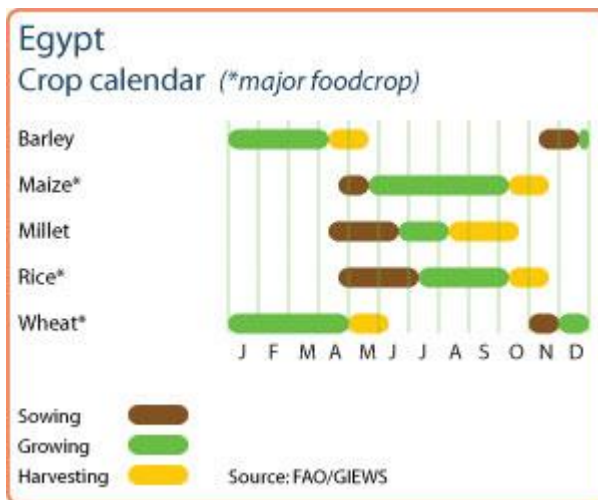
A national silos construction project is progressing to increase the country's wheat storage capacity from 1.5 million tonnes to almost 5 million tonnes by the end of 2015.

## Cereal import requirements forecast at average levels

Egypt remains the world's largest wheat importer. Accordingly, cereal import requirements in the next 2014/15 marketing year (July/June) are forecast at about 17.4 million tonnes, about 8 percent lower than the previous year and 3 percent higher than the five-year average. Wheat imports for the 2014/15 marketing year are estimated at 10 million tonnes, about the same as the previous year and the average.

The Government expects to purchase 4.25 million tonnes of wheat from local farmers in 2014/15, compared to 3.7 million tonnes of local wheat purchased in 2013/14. Imported wheat is mixed with local wheat to increase its gluten content. Local reports indicated that strategic wheat reserves allocated for subsidized bread production is enough to last until the first week of March 2015.

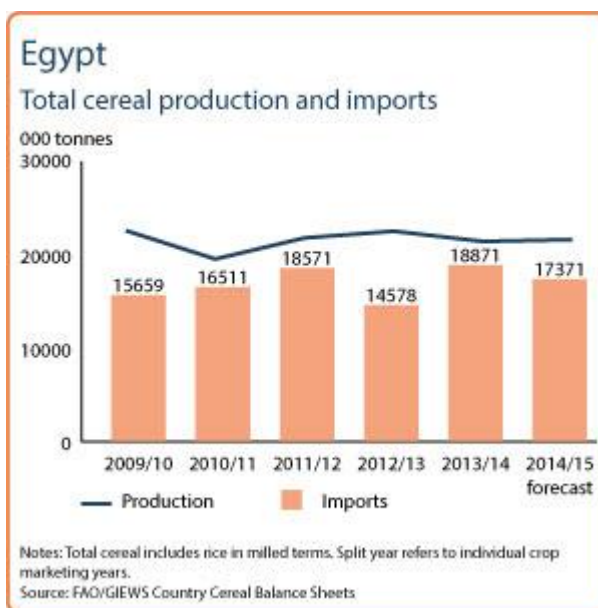
## High inflation rates as reforms are rolled out



### Egypt Cereal production

	2009-2013 average	2013	2014 forecast	change 2014/2013
	000 tonnes		percent	
Wheat	8 332	8 800	9 000	2
Maize	6 869	5 700	5 800	2
Rice (paddy)	5 507	6 100	6 000	-2
Others	861	818	818	0
<b>Total</b>	<b>21 569</b>	<b>21 418</b>	<b>21 618</b>	<b>1</b>

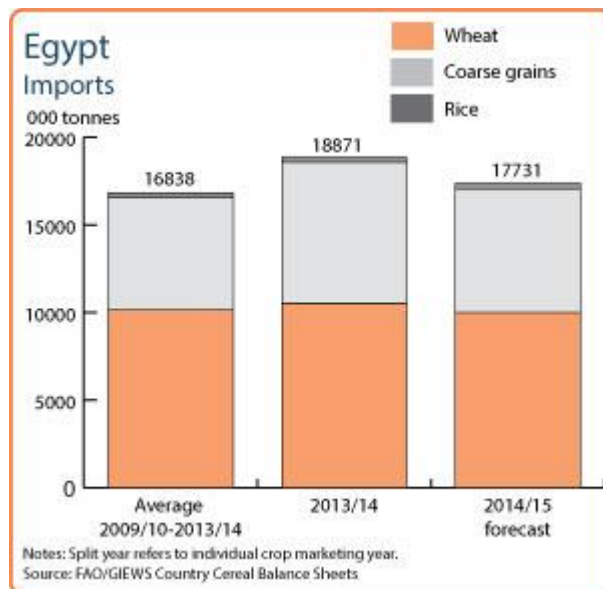
Note: percentage change calculated from unrounded data.  
Source: FAO/GIEWS Country Cereal Balance Sheets



The annual food and beverage inflation rate was 11.8 percent in September 2014 compared to 15.61 percent in April 2013. The largest monthly increase of 3.5 percent in general inflation rate since 2008 was recorded in July 2014 following the fiscal consolidation programme of the Government which commenced the phasing out of energy subsidies. Among others, prices of diesel increased by 63 percent, gasoline by 40 to 78 percent (depending on the octane) and electricity by 28 percent.

Egypt is progressing on the rolling out of the ration card system for food subsidies. Subsidized bread continues to be sold at the unchanged subsidized price of EGP 0.05 per loaf (free market price of EGP 0.35 per loaf) with a maximum of five loafs of bread per person. Bakers are no longer allowed to buy wheat flour at subsidized prices but will be reimbursed by the Government based on sales data gathered from the smart cards. The new ration card system, currently in use in cities in the Suez Canal, Alexandria and introduced in Cairo, provides citizens with 20 privately and Government procured products, including meat. It aims to provide more balanced diets to the poor by extending choice of commodities and contribute to the fiscal consolidation.

According to UNHCR, as of late October 2014, there were 140 000 registered Syrian refugees in Egypt. In response, WFP is planning to assist 76 000 beneficiaries by December 2014.



Reference Date: 12-June-2014

### FOOD SECURITY SNAPSHOT

- Above-average cereal crop forecast for 2014
- Average cereal import requirement envisaged
- Food inflation easing slightly in April 2014 but still at high levels

### Favourable prospects for 2014 cereal crop production

Harvesting of the 2014 winter grain crop is close to completion. Reports and satellite data indicate that the conditions for crop development in 2014 were favourable. The 2014 cereal harvest is forecast to be above the five-year average and similar to last year's harvest.

The 2013 cereal production was estimated at about 21.5 million tonnes. At this level, the crop was about 5 percent lower than in 2012 and about the same as the five-year average. Efforts are underway to increase water and land productivity as well as to utilize drought-tolerant higher yielding varieties. Streamlining post-harvest handling, transportation and storage will also result in higher production. High Government procurement prices in 2013/14, EGP 420/ardeb (USD 400/tonne), are also encouraging additional plantings. Nevertheless, high transportation costs are preventing some farmers from delivering to the Government. The Principal Bank for Development and Agricultural Credit is starting a programme to finance agricultural co-operatives to allow them to access funding before the wheat supply season.

### Cereal import requirements forecast at average levels

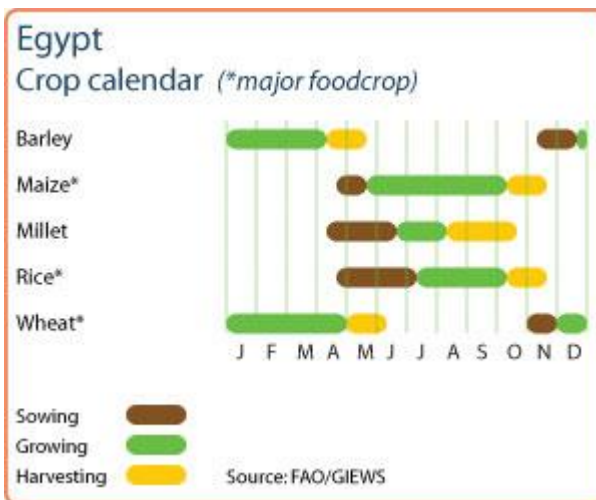
Egypt remains the world's largest wheat importer. Accordingly, cereal import requirements in the next 2014/15 marketing year (July/June) are forecast at about 18.2 million tonnes, about 5 percent higher than the previous year and almost 10 percent higher than the five-year average. Wheat imports for the just ending 2013/14 marketing year are estimated at 17.4 million tonnes, about 22 percent and 8 percent, respectively higher than the previous year and the average. Available trade data indicate that until March 2014, 8.2 million tonnes of wheat was imported.

The General Authority for Supply Commodities (GASC) announced, in mid-May 2014, that Egypt's strategic reserves of wheat are enough until the end of July 2014 and that the level of reserves would increase after the expected purchase of domestic wheat from farmers which started in mid-April and should last until July. The Government expects to purchase 4.25 million tonnes of wheat from local farmers in 2014/15. Imported wheat is mixed with local wheat to increase its gluten content.

### High food inflation rates despite some decline in December

The annual food and beverage inflation rate in April 2014 was 13.41 percent compared to 15.61 percent in April 2013. The decrease in food inflation was mainly attributed to lower inflation rates in April for eggs and butter.

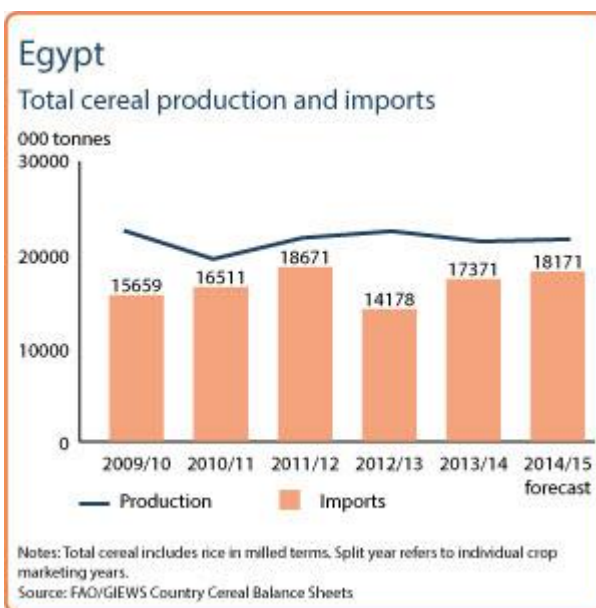
The Government's expenditure on the bread subsidy programme and



### Egypt Cereal production

	2009-2013 average	2013	2014 forecast	change 2014/2013
	000 tonnes		percent	
Wheat	8 332	8 800	9 000	2
Maize	6 869	5 700	5 800	2
Rice (paddy)	5 507	6 100	6 040	-1
Others	861	818	818	0
<b>Total</b>	<b>21 569</b>	<b>21 418</b>	<b>21 658</b>	<b>1</b>

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



concerns over its sustainability together with the budgetary implications have provoked heated discussions in the country. According to the Egyptian Food Observatory, not all vulnerable households eligible for food subsidies have access to ration cards. Losses in the supply chain of subsidized Baladi bread stand at over 25 percent some of which could be reduced by improving storage facilities.

According to UNHCR, as of June 2014, there were 137 000 registered Syrian refugees in Egypt. In response, WFP is planning to assist 76 000 beneficiaries by December 2014.

Reference Date: 07-February-2014

### FOOD SECURITY SNAPSHOT

- Below average cereal import requirement in 2013/14 envisaged
- Food inflation easing slightly in December 2013 but still at high levels

Planting of winter grains to be harvested from April/May 2014 is complete. Reports indicate average conditions.

### Favourable weather conditions result in above average cereal crop in 2013

Final 2013 wheat production figures are not available yet although owing to favourable weather conditions, preliminary forecasts pointed to an harvest similar to the one of 2012 and above average. Official reports from Egypt's Ministry of Agriculture and Land Reclamation indicated the highest ever winter wheat area, at 1.43 million hectares, was planted in 2013, an increase of about 100 000 hectares on 2012.

### Average cereal import requirement envisaged

Egypt remains the world's largest wheat importer. Accordingly, cereal import requirements in the current marketing year 2013/14 (July/June) are put at about 16.6 million tonnes, about 20 percent higher than last year and some 3 percent higher than the five-year average.

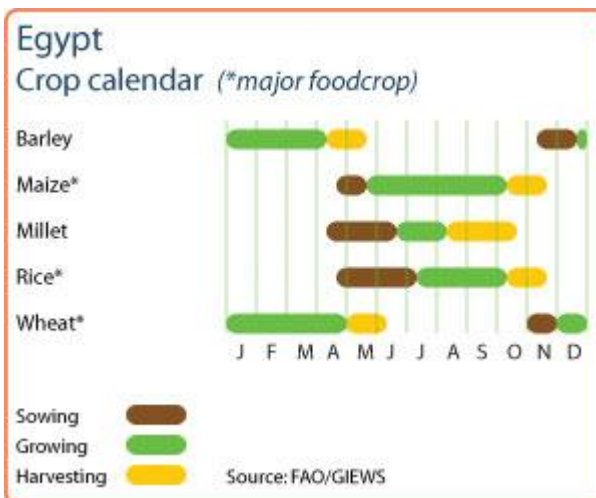
While imports in the first half of 2013 were slow, the General Authority for Supply Commodities (GASC) announced mid-January that Egypt's strategic reserves of wheat are enough until the end of April 2014 and that the level of reserves would increase after the expected purchase of domestic wheat from farmers in mid-April. The Government expects to purchase four million tonnes of wheat from local farmers in 2014. The Cabinet increased wheat purchasing price to EGP 420 per ardeb (150 kg) compared to EGP 400/ardeb in 2013. Imported wheat is mixed with local wheat to increase its gluten content.

### Food inflation eased slightly in December but still at high levels

The annual food and beverage inflation rate in December 2013 was 17.52 percent compared to 19.15 percent in November 2013. The decrease in food inflation was mainly attributed to lower inflation rates in December for fruit, vegetables and poultry.

The Government's expenditure on the bread subsidy programme and concerns over its sustainability together with the budgetary implications have provoked heated discussions in the country. According to the Egyptian Food Observatory, not all vulnerable households eligible for food subsidies have access to ration cards. Losses in the supply chain of subsidised Baladi bread stand at over 25 percent some of which could be reduced by improving storage facilities.

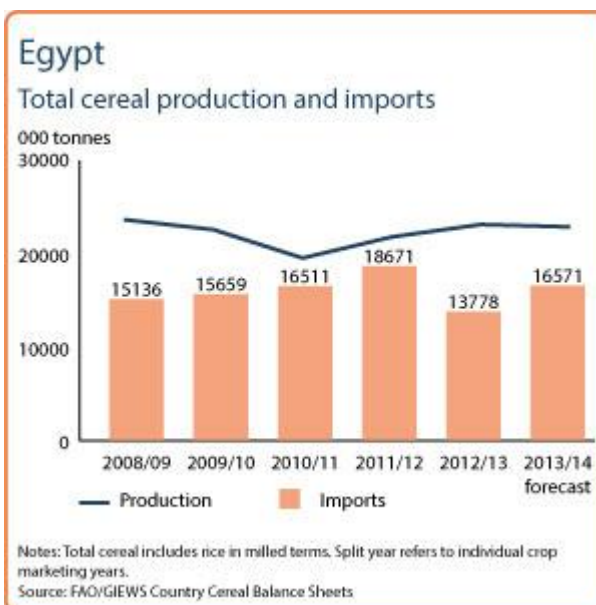
According to UNHCR, as of January 2014, there were 133 000 registered Syrian refugees in Egypt. As a response, WFP is planning to assist 76 000 beneficiaries by December 2014.



### Egypt Cereal production

	2008-2012 average	2012	2013 forecast	change 2013/2012
	000 tonnes			percent
Wheat	8 167	8 796	8 800	0
Maize	7 209	7 000	6 500	-7
Rice (paddy)	5 860	6 522	6 750	3
Others	901	808	818	1
<b>Total</b>	<b>22 137</b>	<b>23 126</b>	<b>22 868</b>	<b>-1</b>

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



Reference Date: 28-January-2014

### FOOD SECURITY SNAPSHOT

- Below average cereal import requirement in 2013/14 envisaged
- Food inflation easing slightly in December 2013 but still at high levels

Planting of winter grains to be harvested from April/May 2014 is complete. Reports indicate average conditions.

### Favourable weather conditions result in above average cereal crop in 2013

Final 2013 wheat production figures are not available yet although owing to favourable weather conditions, preliminary forecasts pointed to an above average cereal harvest. Official reports from Egypt's Ministry of Agriculture and Land Reclamation indicated the highest ever winter wheat area, at 1.43 million hectares, was planted in 2013, an increase of about 100 000 hectares on 2012.

### Below average cereal import requirement envisaged

Egypt remains the world's largest wheat importer. Accordingly, cereal import requirements in the current marketing year 2013/14 (July/June) are put at about 15.4 million tonnes, about 16 percent higher than last year but some 4 percent lower than the five-year average.

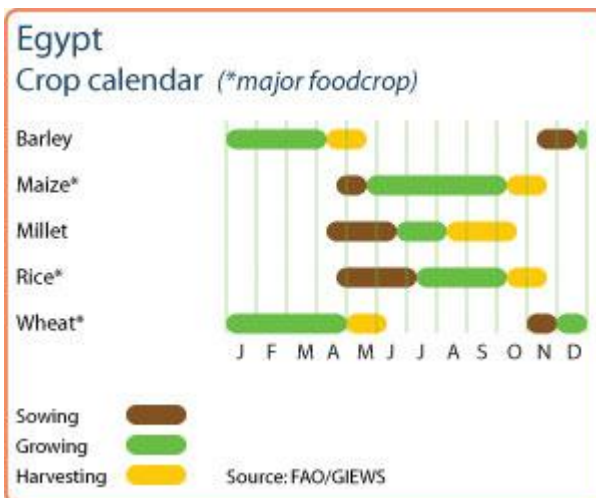
While imports in the first half of 2013 were slow, the General Authority for Supply Commodities (GASC) announced mid-January that Egypt's strategic reserves of wheat are enough until the end of April 2014 and that the level of reserves would increase after the expected purchase of domestic wheat from farmers in mid-April. The Government expects to purchase four million tonnes of wheat from local farmers in 2014. The Cabinet increased wheat purchasing price to EGP 420 per ardeb (150 kg) compared to EGP 400/ardeb in 2013. Imported wheat is mixed with local wheat to increase its gluten content.

### Food inflation eased slightly in December but still at high levels

The annual food and beverage inflation rate in December 2013 was 17.52 percent compared to 19.15 percent in November 2013. The decrease in food inflation was mainly attributed to lower inflation rates in December for fruit, vegetables and poultry.

The Government's expenditure on the bread subsidy programme and concerns over its sustainability together with the budgetary implications have provoked heated discussions in the country. According to the Egyptian Food Observatory, not all vulnerable households eligible for food subsidies have access to ration cards. Losses in the supply chain of subsidised Baladi bread stand at over 25 percent some of which could be reduced by improving storage facilities.

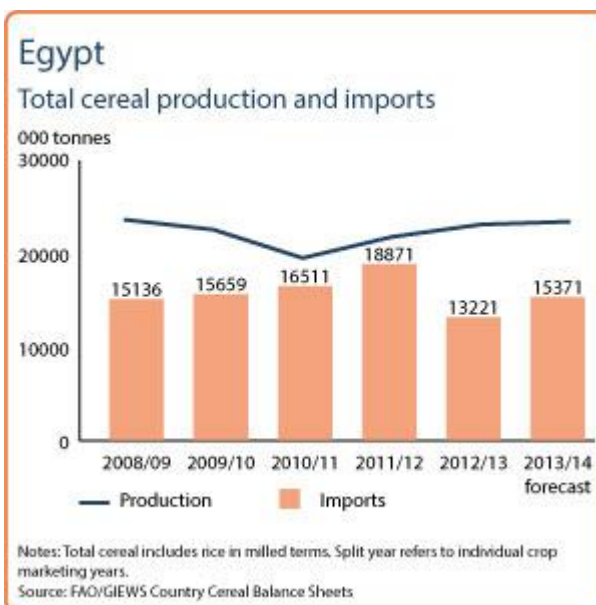
According to UNHCR, as of January 2014, there were 133 000 registered Syrian refugees in Egypt. As a response, WFP is planning to assist 76 000 beneficiaries by December 2014.



### Egypt Cereal production

	2008-2012 average	2012	2013 forecast	change 2013/2012
	000 tonnes			percent
Wheat	8 167	8 796	9 365	6
Maize	7 209	7 000	6 500	-7
Rice (paddy)	5 860	6 522	6 750	3
Others	901	808	818	1
<b>Total</b>	<b>22 137</b>	<b>23 126</b>	<b>23 433</b>	<b>1</b>

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



Reference Date: 03-October-2013

### FOOD SECURITY SNAPSHOT

- Above average cereal harvest estimated in 2013
- Below average cereal import requirement in 2013/14 envisaged
- Food inflation easing slightly in August 2013 but still at high levels

### Favourable weather conditions result in above average cereal crop

The 2013 winter grain harvest was concluded in May/June, while the harvest of summer crops (mainly maize and rice) is about to start. Owing to favourable weather conditions, preliminary forecasts point to an above average cereal harvest. Official reports from Egypt's Ministry of Agriculture and Land Reclamation indicated the highest ever winter wheat planted area of 1.43 million hectares in 2013, an increase of about 100 000 hectares on last year.

### Below average cereal import requirement envisaged

Egypt remains the world's largest wheat importer. Accordingly, cereal import requirements in the current marketing year 2013/14 (July/June) are put at about 15.4 million tonnes, about 16 percent higher than last year but some 4 percent lower than the five-year average.

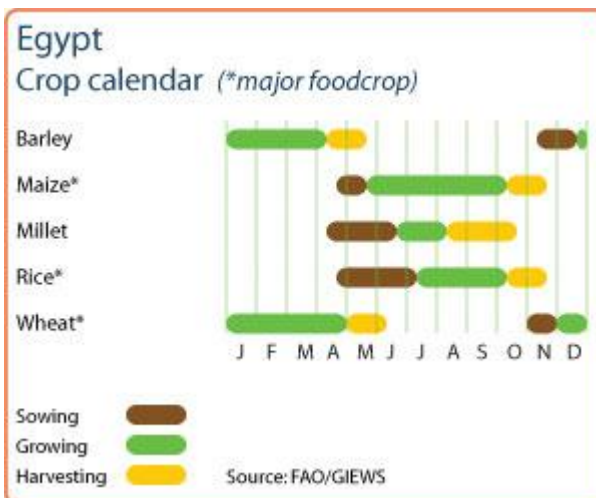
While imports in the first half of 2013 were slow, the General Authority for Supply Commodities (GASC) announced that Egypt imported 780 000 tonnes of wheat of mostly Romanian, Russian and Ukrainian origin in between 18 July 2013 and 12 August 2013, driving wheat strategic inventories to suffice until the end of 2013. According to the reports, the Government aims to increase total wheat stocks to between 5 and 6.5 million tonnes by the end of the current fiscal year in June 2014. Imported wheat is mixed with local wheat to increase its gluten content. Millers reported of being advised to reduce the amount of international wheat in flour. As of late July 2013, the GASC purchased 3.7 million tonnes of wheat from local farmers, some 40 000 tonnes less than the same period of last year.

Of a particular concern remains the ability to import wheat and fuel, and the availability and prices of fertiliser. The deficit of petroleum products, especially diesel is likely to have a negative impact on harvesting and could hamper moving crops to urban centres.

### Food inflation eased slightly in August but still at high levels

The annual food and beverage inflation rate in August 2013 was 12.86 percent compared to 13.86 percent in July 2013. The slight slowdown in food inflation was mainly attributed to lower inflation rates in August for fruit, vegetables, poultry, fish and seafood, eggs, due to the lower demand after the month of Ramadan. In the second quarter of 2013, food prices in urban Governorates increased more than in rural Governorates.

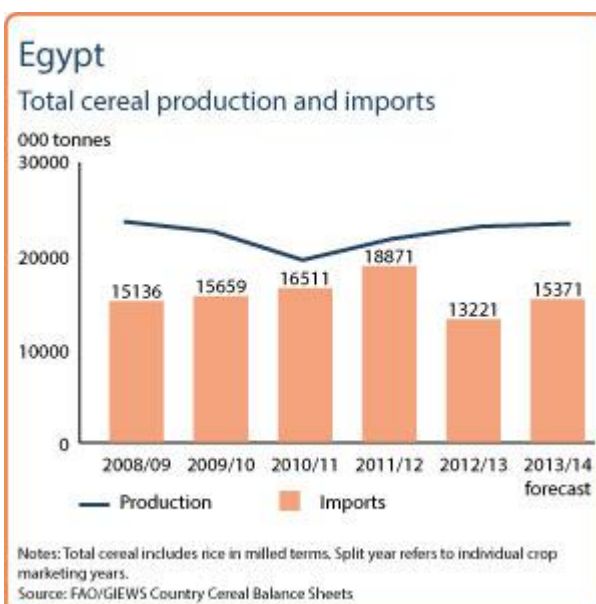
The Government's expenditure on the bread subsidy programme and concerns over its sustainability together with the budgetary implications



### Egypt Cereal production

	2008-2012 average	2012	2013 forecast	change 2013/2012
	000 tonnes			percent
Wheat	8 167	8 796	9 365	6
Maize	7 209	7 000	6 500	-7
Rice (paddy)	5 860	6 522	6 750	3
Others	901	808	818	1
<b>Total</b>	<b>22 137</b>	<b>23 126</b>	<b>23 433</b>	<b>1</b>

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



have provoked heated discussions in the country. According to the Egyptian Food Observatory, not all vulnerable households eligible for food subsidies have access to ration cards. Losses in the supply chain of subsidised Baladi bread stand at over 25 percent some of which could be reduced by improving storage facilities.

According to UNHCR, as of mid-September 2013, there were 124 373 registered Syrian refugees in Egypt. However, the UN Population Fund suggested in late September that the total number may be close to 300 000 individuals. As a response, WFP provided food assistance to 45 500 beneficiaries in August and planned to assist 61 000 beneficiaries in September.

## **Economic recovery strategy being planned**

According to IMF, the GDP growth rate in 2012 was 2.2 percent, about one-third of the (2006-2010) average, while budget deficits from 11 percent in June 2012 to 14 percent in June 2013. In addition, between July 2012 and July 2013, the Egyptian pound suffered a considerable devaluation vis-a-vis the US dollar (from USD 1 selling at EGP 6.06 to EGP 7.1) thus increasing prices in local markets despite easing prices on the world markets.

To help economic recovery, the government is considering economic reforms: measures being studied include a value-added tax, limited tax exemptions for informal businesses to encourage registration, and widening the use of electronic cards to control distribution of subsidized fuel.

However, the main measure to spur economic growth will be a 22.3 billion Egyptian-pound (USD 3.2 billion) "stimulus package", announced by the Government on 28 August 2013, after securing 12 billion dollars in assistance pledges from Saudi Arabia, UAE and Kuwait last month.

These funds, of which 5 billion dollars arrived last month, helped replenish Egypt's foreign-exchange reserves. As of late August 2013, net international reserves held by the Central Bank of Egypt amounted to USD 18.9 billion, still about half the levels of early 2011, due to a widening trade deficit and the continued decline in revenues from tourism and foreign direct investments, but at the highest level in 20 months. In addition, the monetary inflow helped to stop the devaluation of the national currency, and in September the Egyptian pound slightly appreciated vis-a-vis the U.S. dollar for the first time since June 2012.

Of the USD 12 billion pledged to Saudi Arabia, UAE and Kuwait, USD 6 billion are interest-free deposits with the central bank that will be added to currency reserves, while USD 3 billion in grants will be invested in infrastructure, housing, education and health projects, while the remaining USD 3 billion will be in the form of strategic commodities such as petroleum products to cover local demand.

The government aims to boost economic growth to 3.5 percent in the current fiscal year from 2 percent in the year that ended in June.

Reference Date: 23-August-2013

### FOOD SECURITY SNAPSHOT

- Above average winter wheat production forecasted
- Below average cereal import requirement envisaged
- Continued unrest affecting economic activity and revenue from tourism
- Food inflation increases amid concerns about budget outlays

### Favourable weather conditions result in above average winter wheat crop

The 2013 winter grain harvest was concluded in May/June. Owing to favourable weather conditions, preliminary forecasts point to an above average cereal harvest. Official reports from Egypt's Ministry of Agriculture and Land Reclamation indicated the highest ever winter wheat planted area of 1.43 million hectares in 2013, an increase of about 100 000 hectares on last year. While the Government has forecast a record wheat crop of 9.4 million tonnes, analysts remain cautious about the final outcome especially given the high price of diesel and fertilisers. Nevertheless, even if the Government harvest forecast does not materialise, the actual wheat harvest will exceed the five-year average. Harvest losses usually account for about 15 to 20 percent of production due to poor storage conditions and transportation.

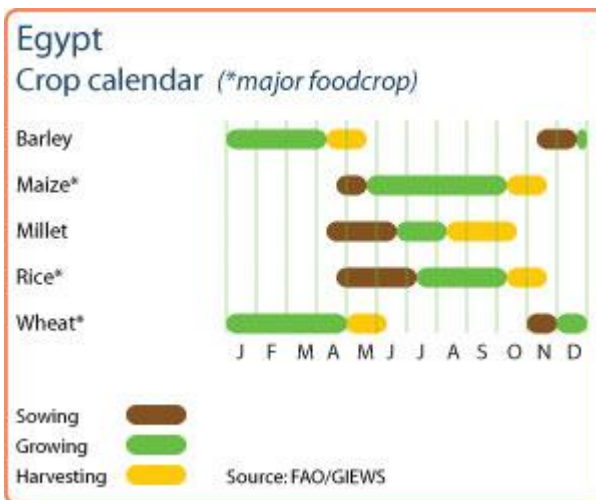
Elsewhere, to support small-scale farmers, the Government pledged EGP 473.2 million (USD 68 million) in the 2013/14 fiscal year (July/June), compared to EGP 183.9 million (USD 26.4 million) in 2012/13. Part of the support worth around EGP 113 million (USD 16.2 million) has been the value of debt cancellations for Egypt's small-scale farmers suffering from loan delinquency.

### Below average cereal import requirement envisaged

Despite the attempts to increase its self-sufficiency in wheat, Egypt remains the world's largest wheat importer. Accordingly, cereal import requirements in the current marketing year 2013/14 (July/June) are put at about 14.9 million tonnes, about 12 percent higher than last year but some 7 percent lower than the five-year average.

While imports in the first half of 2013 were slow, the General Authority for Supply Commodities (GASC) announced that Egypt imported 780 000 tonnes of wheat of mostly Romanian, Russian and Ukrainian origin in between 18 July 2013 and 12 August 2013, driving wheat strategic inventories to suffice until the end of 2013. According to the reports, the Government aims to increase total wheat stocks to between 5 and 6.5 million tonnes by the end of the current fiscal year in June 2014. Imported wheat is mixed with local wheat to increase its gluten content. Millers reported of being advised to reduce the amount of international wheat in flour. As of late July 2013, the GASC purchased 3.7 million tonnes of wheat from local farmers, some 40 000 tonnes less than the same period of last year.

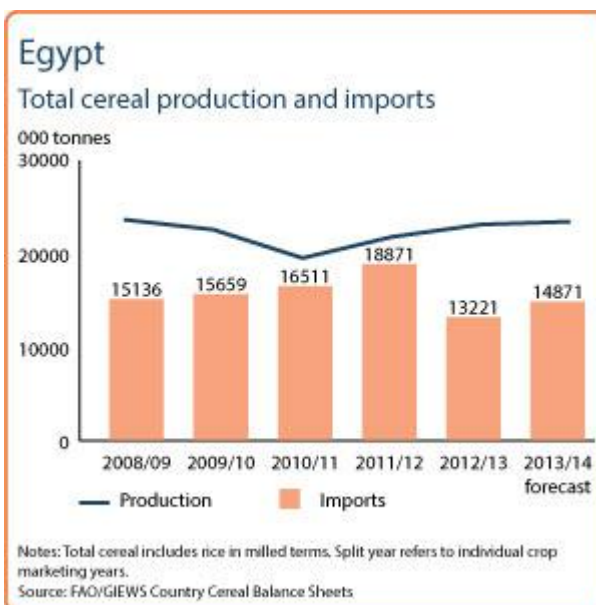
Of a particular concern remains the ability to import wheat and fuel, and the availability and prices of fertiliser. The deficit of petroleum products, especially diesel is likely to have a negative impact on harvesting and could hamper moving crops to urban centres.



### Egypt Cereal production

	2008-2012 average	2012	2013 forecast	change 2013/2012
	000 tonnes		percent	
Wheat	8,167	8,796	9,365	6
Maize	7,209	7,000	6,500	-7
Rice (paddy)	5,860	6,522	6,750	3
Others	901	808	818	1
<b>Total</b>	<b>22,137</b>	<b>23,126</b>	<b>23,433</b>	<b>1</b>

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



As of 31 July 2013, net international reserves held by the Central Bank of Egypt amounted to USD 18.9 billion compared to USD 13.4 billion in March 2013 and USD 36 billion in early 2011 due to a widening trade deficit and the continued decline in revenues from tourism and foreign direct investments. Part of the pledges of support from Saudi Arabia, UAE and Kuwait were used to strengthen Egypt's currency reserves, while part are to be used to purchase strategic commodities. Between September 2012 and August 2013, the Egyptian pound lost to US dollar (from USD 1 selling at EGP 6.08 to 6.9) thus increasing prices in local markets despite easing prices on the world markets.

## **Food inflation increases amid unrest and bottlenecks in input distribution**

Continued unrest is affecting economic activity in the country and revenue from tourism. Tourism is estimated to account for over 11 percent of the GDP and to employ over 12 percent of the workforce.

The annual food and beverage inflation rate in July 2013 reached about 13.86 percent compared to 12.69 percent in June 2013. The increase was attributed to the depreciating exchange rate, bottlenecks in fuel distribution as well as increasing prices of red meat, poultry, fish, seafood, fruit and vegetables which coincided with the month of Ramadan. In the second quarter 2013, food prices in urban Governorates increased more than in rural Governorates.

The Government's expenditure on the bread subsidy programme and concerns over its sustainability together with the budgetary implications have provoked heated discussions in the country. According to the Egyptian Food Observatory, not all vulnerable households eligible for food subsidies have access to ration cards. Losses in the supply chain of subsidised Baladi bread stand at over 25 percent some of which could be reduced by improving storage facilities.

Recent study on child under-nutrition in Egypt led by the Egyptian Cabinet's Information and Decision Support Centre (IDSC) and supported by WFP revealed that 2.7 of the 9.2 million children under the age of five in 2009 were affected by growth retardation. Additionally, 33 percent of the school age population, representing 7.4 million children, and 41 percent of the working age population, representing 20.4 million people, are also suffering from the consequences of childhood stunting.

As of late August 2013, there were almost 90 000 registered Syrian refugees in Egypt, with an additional 20 000 awaiting registration.

Reference Date: 16-April-2013

### FOOD SECURITY SNAPSHOT

- Above average plantings of winter wheat
- Cereal imports so far indicate a slower pace of imports compared to the previous marketing year following increased domestic procurement and concerns over foreign exchange reserves
- Food inflation increases amid concerns about budget outlays

### Above average winter wheat area planted for harvesting in 2013

Weather conditions remain favourable for the 2013 winter wheat and coarse grains, for harvest from April/May. Official reports from the Egypt's Ministry of Agriculture and Land Reclamation indicate the highest ever winter wheat planted area of 1.43 million hectares in 2013. At this level, an increase of about 100 000 hectares on last year is estimated. While the Government has forecast a record wheat crop of 9.5 million tonnes, analysts remain sceptical about the production potential especially given the decline in foreign exchange reserves and the possible impact on the availability and price of fertilisers and diesel.

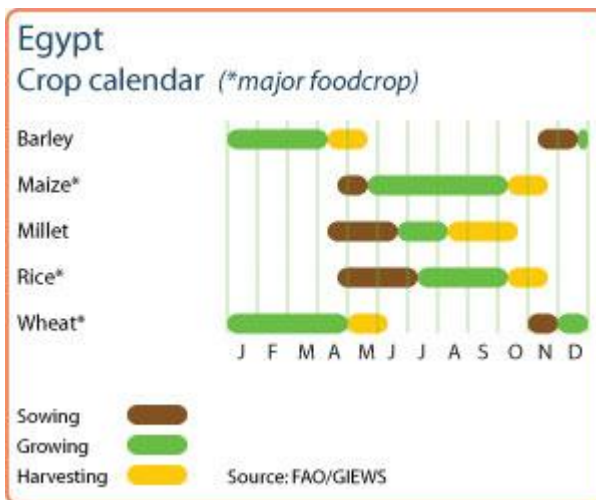
In southeast Egypt a limited second generation of locust breeding is reported in the Abraq area where groups of adults are laying eggs and hoppers are present. Ground control is in progress.

### In 2012, above average winter grain harvest was gathered

The 2012 harvest reached an above average production of 8.8 million tonnes of wheat, exceeding the already high level of harvest in 2011 by 5 percent. The increase was attributed to availability of improved varieties, favourable weather conditions and increased government procurement prices. Similar increases were posted for maize and rice, bringing the estimated aggregate cereal production in 2012 to over 23 million tonnes (rice in paddy terms), which compares to 21.8 million tonnes in 2011 and the previous five year average of similar magnitude.

### Lower cereal imports envisaged following expected increase in domestic procurement and concerns over foreign exchange reserves

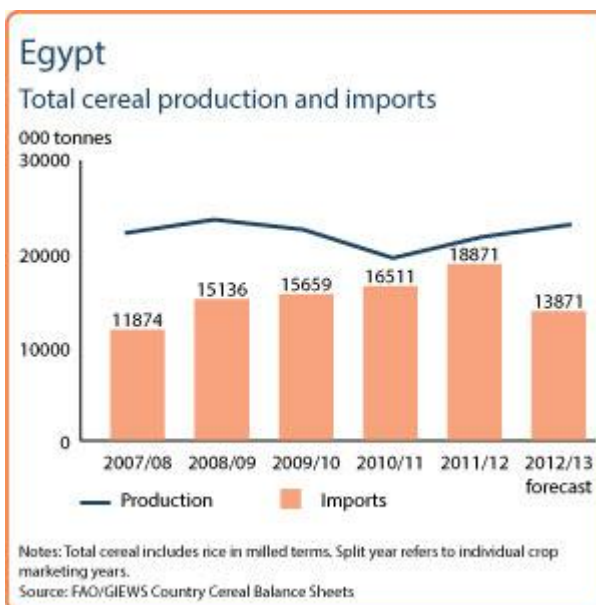
Egypt is seeking to decrease imports by about 10 percent in 2013 to 8 million tonnes compared to last year's 11.7 million tonnes. Reports indicate that the Government has allocated EGP 11 billion (USD 1.6 billion) to boost domestic wheat procurement to 4.5 million tonnes. Procurement prices saw a 5 percent increase (to EGP 400/ardeb -150 kg) in February 2013. The latest available trade data covering the period between July 2012 and January 2013 indicate that Egypt has imported over 6 million tonnes of wheat, mostly from the Russian Federation, Ukraine and EU. Imports are likely to remain slow until August when harvests in Egypt's main trading partners (Russian Federation and Ukraine) are completed. Egypt is also engaged in talks on wheat imports from Kazakhstan and India. In early April 2013, the Government reported that its wheat reserves stand at 2 million tonnes, enough to last for 81



### Egypt Cereal production

	2007-2011 average	2011	2012 estimate	change 2012/2011
	000 tonnes			percent
Wheat	7,884	8,370	8,796	5
Maize	7,195	6,787	7,000	3
Rice (paddy)	5,931	5,675	6,522	15
Others	943	964	808	-16
<b>Total</b>	<b>21,953</b>	<b>21,796</b>	<b>23,126</b>	<b>6</b>

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



days.

Of a particular concern remains the availability of foreign currency reserves in the country and the possible impact on imports of wheat and fuel, and the availability and price of fertiliser. The deficit of petroleum products, especially diesel is likely to have a negative impact on the operations of harvesting winter crops, especially wheat and could hamper moving grain to urban centres.

As of 31 March 2013, net international reserves held by the Central Bank of Egypt amounted to USD 13.4 billion compared to USD 36 billion in early 2011 due to a widening trade deficit and the continued decline in revenues from tourism and foreign direct investments. Between September 2012 and April 2013, the Egyptian pound lost to US dollar (from USD 1 selling at EGP 6.08 to 6.8) thus increasing prices in local markets despite easing prices on the world markets.

Special reserve funds were made available by the Government in the last two years to cover the rising import bill, particularly for petroleum and wheat. USD 600 million was offered in mid-April 2013 to cover the financing of commodity imports.

## **Food inflation increases**

The annual food and beverage inflation rate in February 2013 reached about 9.4 percent compared to 7.86 percent in January 2013. The increase was attributed to the depreciating exchange rate and bottlenecks in fuel distribution. A high rate of 12.57 percent was recorded in February 2012.

The Government's expenditure on the bread subsidy programme and concerns over its sustainability together with the budgetary implications have provoked heated discussions in the country. In the current 2012/13 fiscal year, Baladi bread alone, accounts for some 61 percent of the EGP 26.6 billion (approximately USD 4.2 billion) food subsidy. In mid March 2013, the Government announced a pilot program of rationing the subsidised bread by introducing smart cards in Port Said and Port Fouad. Details of the program remain unavailable but bakers have already expressed their concern over rising fuel and ingredient costs. Introduction of smart cards is also discussed for some fuel users.

With recent trends of low economic growth, high prices and stagnant incomes, recent reports indicate a significant increase in the poverty rate across Egypt (21.6 percent in 2009 to 25.2 percent in 2011).

In early April 2013, Qatar pledged USD 3 billion to buy government bonds and to supply natural gas in the summer when needs are high, topping up its previous aid of USD 5 billion. A deal with Libya of USD 2 billion five year interest free loan was also reported. Despite protracted negotiations, the IMF stand-by credit facility of USD 4.8 billion is still pending.

As of early April 2013, there are over 35 000 registered Syrian refugees in Egypt, with an additional 15 000 awaiting registration.

Reference Date: 06-September-2012

### FOOD SECURITY SNAPSHOT

- Above average winter grain harvest completed
- Cereal import requirements expected to decline in marketing year 2012/13 but import bill may increase
- Small decrease in food inflation but concerns about budget outlays

### Above average winter grain harvest completed

The 2012 winter crop harvest in Egypt has been concluded. The latest estimates indicate an above average production of 8.7 million tonnes of wheat, exceeding last year's already high harvest by additional 4 percent. The increase in wheat production was attributed to availability of improved varieties, favourable weather conditions and increased government procurement prices. Similar production increases were posted for maize and rice, bringing the estimated aggregate cereal production in 2012 to over 23 million tonnes (rice in paddy terms), which compares to 22.2 million tonnes in 2011 and the previous five year average of similar magnitude.

Egypt seeks to increase productivity and yields in order to meet the target of producing 75 percent of its own wheat needs within three years. Experiments carried out in 2011/12 under the auspices of the Egyptian Agriculture Research Center (ARC) and Egypt's Academy of Scientific Research and Technology achieved an average 30 percent increase in productivity. The increased yields were attributed to new varieties developed by the ARC and new agriculture methods (raised bed planting). However, given the large size of the population and the environmental constrains, especially water, increases in production should be based on a sound sustainability criteria.

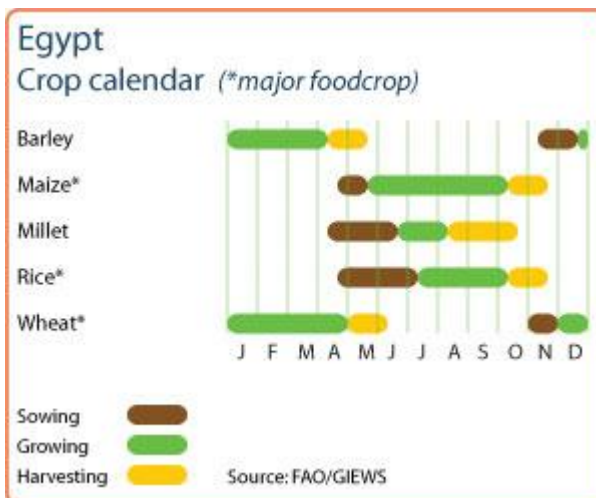
In efforts to tackle the budgetary problem, the Government introduced reforms in the area of fuel subsidies. Subsidised natural gas prices to energy intensive industries were increased. However, farmers rest assured of continued access to low cost fertiliser as the price to the fertiliser industry would remain unchanged.

### Major outbreak of foot-and-mouth disease affected the livestock sector

The outbreak of foot-and- mouth disease in spring 2012 significantly affected the livestock sector, especially reducing meat and milk production. Although foot-and-mouth disease has prevailed in the country for some years, an entirely new virus strain known as SAT2 occurred, and livestock have no immune protection against it. In March, the Egyptian authorities reported more than 60 000 clinically affected cattle and buffaloes with more than 14 000 fatalities due to suspected FMD. Figures reported in April were approximately 19 000 affected ruminants and more than 8 000 fatalities. A vaccination campaign targeting areas with few or no reports of FMD followed.

### Cereal import requirements expected to decline in marketing year 2012/13 but import bill may increase

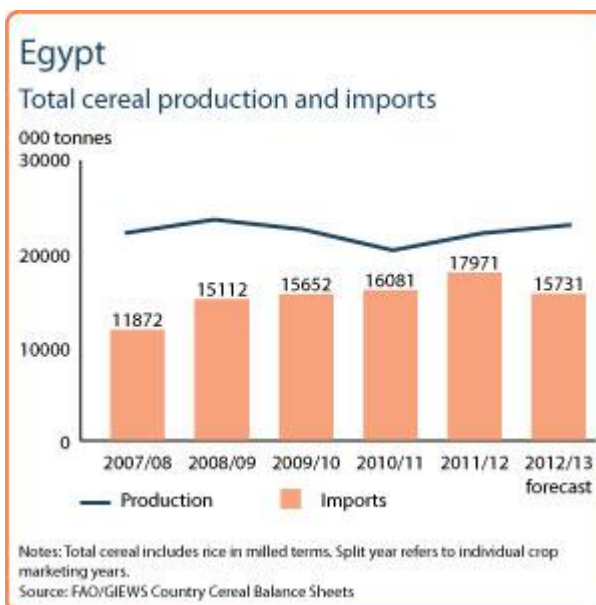
Egypt is the world's largest wheat importer, importing an estimated



### Egypt Cereal production

	2007-2011 average	2011	2012 forecast	change 2012/2011
	000 tonnes			percent
Wheat	7 884	8 370	8 699	4
Maize	7 302	7 324	7 550	3
Rice (paddy)	6 096	5 670	5 900	4
Others	916	827	934	13
<b>Total</b>	<b>22 198</b>	<b>22 191</b>	<b>23 083</b>	<b>4</b>

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



11.5 million tonnes in the 2011/12 (July/June) marketing year, a level above the average of 10 million tonnes of wheat imported in the previous two years. With increased domestic production the 2012/13 wheat imports are estimated to decrease by 2 million tonnes to 9.5 million tonnes. Even with an above average cereal harvest Egypt relies heavily (on average about 45 percent in the last 5 years) on imports to satisfy its domestic requirements, including food and feed.

Nevertheless, even with decreased import requirements, the increase in international grain prices is likely to add substantially to the national food import bill. In order to mitigate the impact of additional increases in international prices following weather related concerns in main wheat producing countries, the General Authority for Supply Commodities (GASC) has already issued several tenders purchasing wheat of various origins, including Russia, Ukraine and Romania. During the 2011/12 fiscal year, GASC's purchases were dominated by Black Sea origin wheat. However, a lack of exportable surplus in Russia is likely to alter geographic composition of suppliers.

The current stock of wheat (about 5 million tonnes, according to the Ministry of Supply and Internal Trade) covers requirements for about 5 – 6 months.

Tourism revenues, one of the main foreign exchange contributors, and foreign investment are still recovering from the political and economic events of 2011. Concerns about lack of foreign exchange prevail, as the Central Bank of Egypt reports net international reserves amounting to 15.1 billion USD in August 2012, in comparison to 36 billion USD a year and half ago, raising prospects of a currency devaluation. In July 2012 the Islamic Development Bank provided 1 billion USD to the Government of Egypt to finance government wheat and fuel imports.

### **Small decrease in food inflation but concerns about budget outlays**

For most consumers, while the high cost of imported wheat will not be felt directly on account of the country's safety net programme, increases in the non-subsidized wheat flour price at the national level cause prices of other wheat products to rise. The food and beverage inflation rate in 2012 did not undergo dramatic adjustments, decreasing from 11.2 percent in January 2012 to about 8 in July 2012 (latest available figure). In July, during the month of Ramadan, prices of many unregulated food items increased, with eggs recording an increase of 5.7 percent and poultry almost 3 percent on monthly basis.

Given the Government's expenditure on the bread subsidy programme and concerns about its sustainability, there are ongoing discussions within the country. For the 2012/13 budget food subsidies are projected to increase, while overall subsidy outlay should decrease because of lower fuel subsidies.

In April 2012, the Government and IFAD signed an agreement for a 70 million USD loan and a 1 million USD grant for the Promotion of Rural Incomes through the Market Enhancement Project to help reduce rural poverty and enhance food security. The project will integrate about 50 000 rural households belonging to 500 farmer groups into the agriculture value chain to increase their incomes to create opportunities to improve their livelihoods as rural producers.

Reference Date: 12-April-2012

### FOOD SECURITY SNAPSHOT

- Favourable prospects for the 2012 winter crops
- Above average wheat harvest in 2011
- A recent outbreak of foot-and-mouth disease is seriously impacting the livestock sector
- Access to food constrained by high food prices

### Early forecasts for the 2012 winter crops are favourable

Prospects for the 2012 winter crops, mostly irrigated and harvested from May, are generally favourable. Early forecasts point to an 8.46 million tonnes wheat output, similar to last year's above average harvest.

Aggregate cereal production in 2011 was estimated at about 22.3 million tonnes (rice in paddy terms), which compares to 20.4 million tonnes in 2010 and the previous five year average of 22.5 million tonnes. The wheat output, estimated at about 8.4 million tonnes, was 17 percent higher than in 2010 and 6 up on the past five-year average of 7.9 million tonnes. The good wheat crop performance was due to larger planted area and to the increased use of improved seeds which contributed to increase yields.

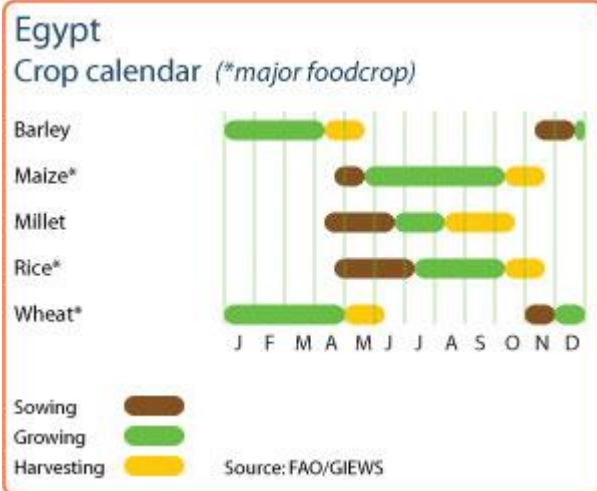
### Major outbreak of foot-and-mouth disease affects the livestock sector

The recent outbreak of foot-and-mouth disease is expected to significantly affect the livestock sector, especially reducing meat and milk production. According to official estimates, more than 40 000 suspected cases were identified while nearly 4 700 animals, mostly calves, have already died. According to FAO livestock census data, 6.3 million buffalo and cattle and 7.5 million sheep and goats are at risk in Egypt. Although foot-and-mouth disease prevailed in the country for some years, this is an entirely new virus strain known as SAT2, and livestock have no immune protection against it.

The Government has approved a number of measures in order to protect livestock from the current outbreak; however, the lack of awareness among farmers and small-scale breeders, the delayed availability of appropriate vaccines, and the current windy climatic conditions (the disease is windborne) are hindering the efforts to control the outbreak. Following a request by the Government, an FAO emergency team recently visited the country, assessing the situation with veterinary authorities. They jointly set up a first line of containment measures and planned a national control strategy for the disease.

### Cereal import bill expected to decline in marketing year 2011/12

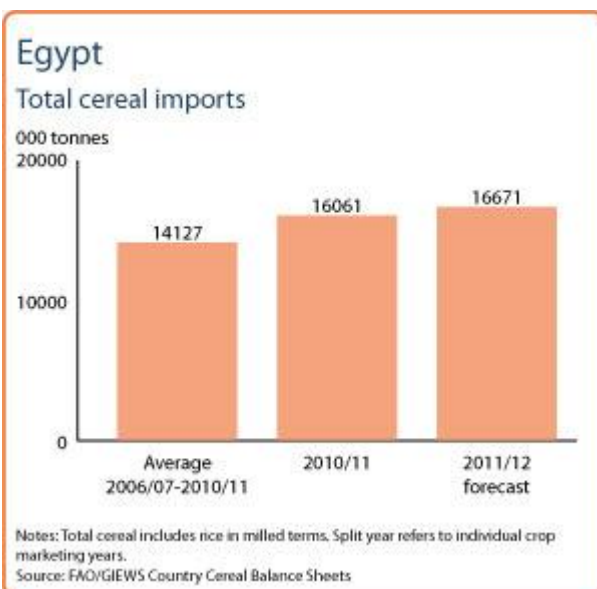
Egypt is the world's largest wheat importer, importing an estimated 10 million tonnes in the 2010/11 (July/June) marketing year, a level comparable to the average of the previous two years. The increase in international wheat prices added substantially to the national food import bill in the Government's expenditure on the bread subsidy programme. The bulk of the country's wheat imports in 2010/11 were supplied from



### Egypt Cereal production

	2007-2011 average	2011	2012 forecast	change 2012/2011
	000 tonnes			percent
Wheat	7 884	8 370	8 460	1
Maize	7 302	7 324	7 550	3
Rice (paddy)	6 122	5 800	5 800	0
Others	916	827	849	3
<b>Total</b>	<b>22 224</b>	<b>22 321</b>	<b>22 659</b>	<b>2</b>

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



alternative sources (including the US and France) than Russia following its export ban.

Following the removal of Russia's wheat export ban in July 2011, Egypt began importing cheaper Russian-grown wheat. Given the good 2011 production and cheaper wheat imports from Russia, the national food import bill for the 2011/12 marketing year is anticipated to be lower than the previous year despite a slight increase in the volume of imports. However, the benefits of lower import prices may be partly offset by a weaker national currency.

Livestock, meat and milk imports are expected to significantly increase in marketing year 2012 due to the shortage in local supply. However, dwindling foreign exchange reserves could result in increased restrictions on transactions by the Central Bank of Egypt, thus constraining the growing import demand.

### **Access to food is constrained by high food prices**

For most consumers, while the high cost of imported wheat will not be felt directly on account of the country's safety net programme, increases in the non-subsidized wheat flour price at the national level (26 percent higher in December 2011 compared to one year earlier) caused prices of other wheat products to rise. Similarly, average domestic rice prices increased by 8 percent over the same period.

Prices of fruits and vegetables sharply declined in recent months. In February 2012 the year on year price increase was estimated at 8.8 percent, declining from the 24.7 percent in January 2012 and 25.5 percent in February 2011. By contrast, prices of other food items (excluding fruits and vegetables) sharply increased in February, mainly due to increasing poultry prices, resulting from an increase in demand for chicken meat following the outbreak of the foot-and-mouth disease.

The year on year price increase of other food items (excluding fruits and vegetables) was estimated at 27.8 in February 2012, compared to 8.5 in January 2012 and 17.5 in February 2011.

Overall, the inflation rate in the food sector moderately increased in February 2012. However, the year on year price increase, estimated at 12.6 percent, was still lower than in the same month of the previous year.

Reference Date: 13-September-2011

### FOOD SECURITY SNAPSHOT

- Favourable outturn of the wheat harvest in 2011
- Prospects for the 2011 summer crops (mainly maize and rice) are good
- Lower cereal imports forecast in 2011/12 marketing year (July/June)
- Access to food constrained by high food prices
- The inflow of refugees and returnees from Libya eased from June but food assistance still required

### A good cereal harvest is in prospect

Harvesting of the 2011 wheat crop has been completed in June under favourable weather conditions. According to official forecasts the 2011 wheat crop is put at about 8.4 million tonnes, more than 16 percent higher than in 2010 and about 6 percent higher than the average of the past five-years.

The summer crops (mainly maize and rice), whose harvest is about to start, are growing under generally favourable conditions, despite a reported decline in the use of agricultural inputs (e.g. seeds and pesticides).

### Wheat import requirements expected to reduce slightly in 2011/12 (July/June) marketing year

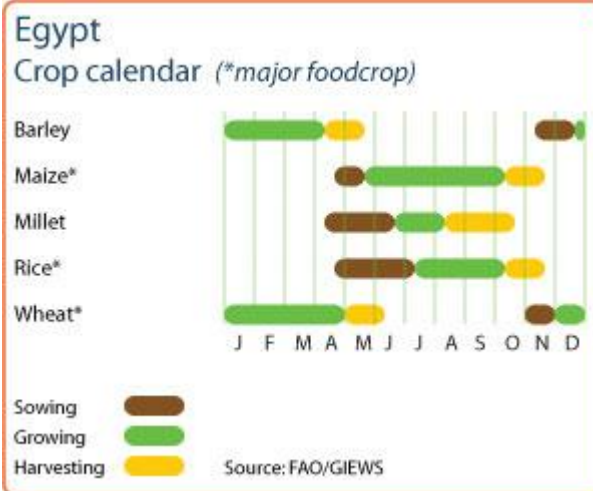
Egypt is the world's largest wheat importer, importing an estimated 10 million tonnes in the just finished 2010/11 (July/June) marketing year, a level comparable to the average of the previous two years. The increase in international wheat prices added substantially to the national food import bill in the Government's expenditure on the bread subsidy programme. The bulk of the country's wheat imports in 2010/11 were supplied from alternative sources (including the US and France) than Russia following its export ban.

Following the removal of Russia's wheat export ban in July 2011, Egypt began importing cheaper Russian-grown wheat. Given the good production prospects and cheaper wheat imports from Russia, the national food import bill for the current marketing year is anticipated to be lower than the previous year. However, the benefits of lower import prices may be partly offset by a weaker national currency.

### Access to food is constrained by high food prices

For most consumers, while the high cost of imported wheat will not be felt directly on account of the country's safety net programme, increases in the non-subsidized wheat flour price has caused prices of other wheat products to go up. At the national level, nominal wheat prices increased by 16 percent in May 2011 compared to May 2010.

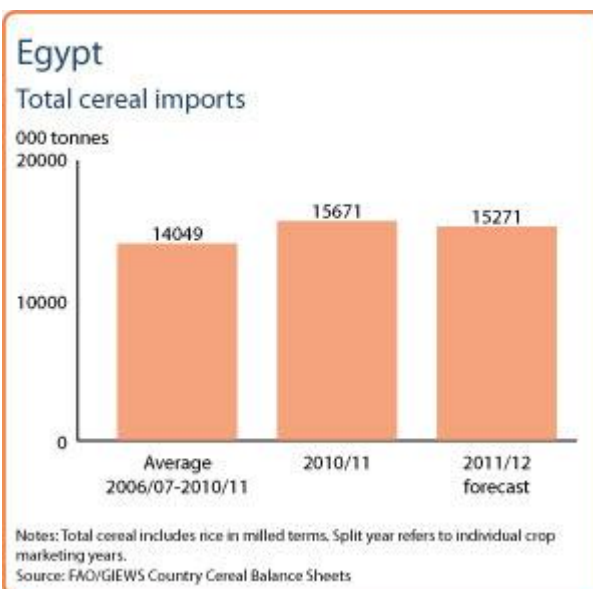
Fruit and vegetable prices increased by 30 percent in the year to July 2011 following a decreasing trend since the beginning of the year, while the price of other food items (excluding fruits and vegetables) rose by 14 percent over the same period. Domestic rice prices have also increased driven by a lower supply following Government policy to reduce water



### Egypt Cereal production

	2006-2010 average	2010	2011 forecast	change 2011/2010
	000 tonnes		percent	
Wheat	7 864	7 169	8 369	17
Maize	7 282	8 000	7 793	-3
Rice (paddy)	6 181	4 500	4 500	0
Others	959	867	913	5
<b>Total</b>	<b>22 286</b>	<b>20 536</b>	<b>21 575</b>	<b>5</b>

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



use.

As a result of these developments, the year-on-year rate of inflation was estimated at 10.4 in July 2011, declining from 11.8 percent in the previous month and compared to 10.7 in July 2010. Since January 2011, the inflation rate followed an increasing trend until April 2011, and then declined reaching in July 2011 a level similar to December 2010 (10.3 percent). Nonetheless, it remained well below the peak of 2008 (23.7 percent in August 2008).

## **Influx of refugees and returnees puts pressure on food supplies**

The large number of refugees from Libya is putting pressure on overall food supplies. According to the International Organization for Migration since the start of the civil war in February, more than 217 000 migrants arrived in Egypt from Libya with about 82 000 people repatriated, as of 6 September. In this context, the number of refugees from Third Countries Nationals (TCNs) continues to increase (estimated at almost 1 700 persons, as of 6 September 2011). Moreover, only about 4 500 Libyans are reported to be in Egypt as of 25 August 2011.

The flow of Egyptian workers from Libya has continued to increase since the beginning of the civil strife. As of 6 September 2011 returnees are estimated at more than 133 000 individuals.

A regional Emergency Operation (EMOP) initially envisaged for a three month period (March-May), and extended for another three months (June-August), has been further prolonged for six months (September 2011-February 2012). The revision increases by 45 000 the number of beneficiaries reaching the total number of almost 1.6 million most affected people by the civil strife in Libya, Tunisia and Egypt. As of end of August, WFP has mobilized over 38 000 tonnes of food. The recently approved EMOP will provide an additional 7 520 tonnes of food through to February 2012.

Reference Date: 12-August-2011

### FOOD SECURITY SNAPSHOT

- Favourable outturn of the wheat harvest in 2011
- Prospects for the 2011 summer crops (mainly maize and rice) are good
- Lower wheat imports forecast in 2011/12 marketing year (July/June)
- Access to food constrained by high food prices
- The inflow of refugees and returnees from Libya eased from June but food assistance still required

### A good cereal harvest is in prospect

Harvesting of the 2011 wheat crop has been completed in June under favourable weather conditions. According to official forecasts the 2011 wheat crop is put at about 8.4 million tonnes, more than 16 percent higher than in 2010 and than the average of the past five-years.

The summer crops (mainly maize and rice), for harvest later in the year, are growing under generally favourable conditions, despite a reported decline in the use of fertilizers.

### Wheat import requirements expected to decline slightly in 2011/12 (July/June) marketing year

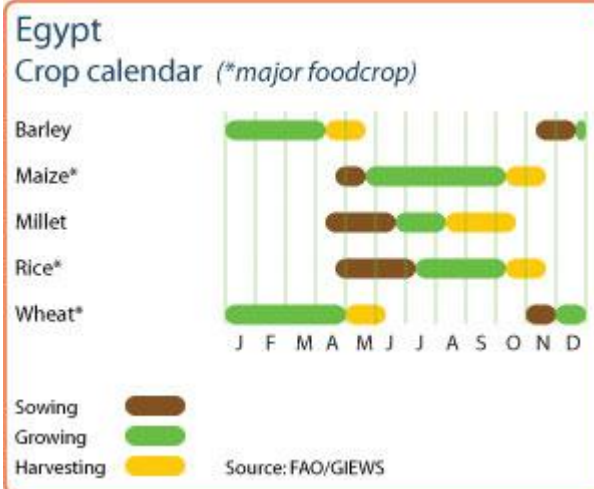
Egypt is the world's largest wheat importer, importing an estimated 10 million tonnes in the just finished 2010/11 (July/June) marketing year, a level comparable to the average of the previous two years. The increase in international wheat prices added substantially to the national food import bill in the Government's expenditure on the bread subsidy programme. The bulk of the country's wheat imports in 2010/11 were supplied from alternative sources (including the US and France) than Russia following its export ban.

Following the removal of Russia's wheat export ban in July 2011, Egypt began importing cheaper Russian-grown wheat. Given the good production prospects and cheaper wheat imports from Russia, the national food import bill for the current marketing year is anticipated to be lower than the previous year. However, the benefits of lower import prices may be partly offset by a weaker national currency.

### Access to food is constrained by high food prices

For most consumers, while the high cost of imported wheat will not be felt directly on account of the country's safety net programme, increases in the non-subsidized wheat flour price has caused prices of other wheat products to go up. At the national level, nominal wheat prices increased by 16 percent in May 2011 compared to May 2010.

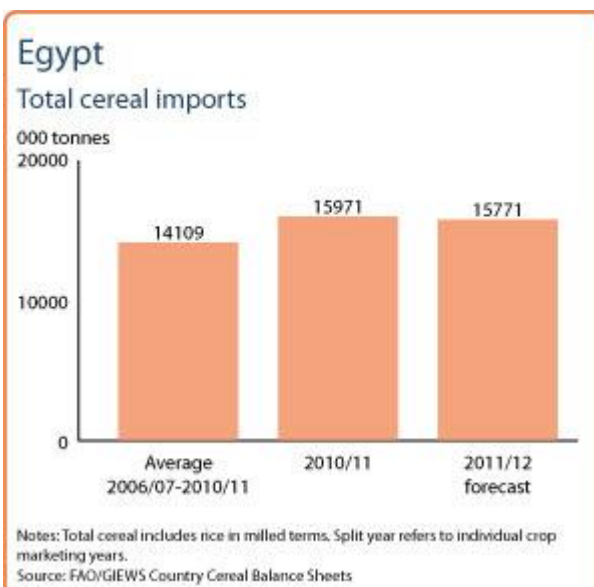
Fruit and vegetable prices increased by 38 percent in the year to June 2011 following a decreasing trend since the beginning of the year, while the price of other food items (excluding fruits and vegetables) rose by 16 percent over the same period. Domestic rice prices have also increased driven by a lower supply following Government policy to reduce water use.



### Egypt Cereal production

	2006-2010 average	2010	2011 forecast	change 2011/2010
	000 tonnes		percent	
Wheat	7 864	7 169	8 369	17
Maize	7 385	8 000	7 898	-1
Rice (paddy)	6 181	4 500	4 300	-4
Others	826	750	808	8
<b>Total</b>	<b>22 405</b>	<b>20 536</b>	<b>21 496</b>	<b>5</b>

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



As a result of these developments, the year-on-year rate of inflation was estimated at 11.8 percent in June 2011 compared to 10.3 percent in December 2010. The inflation rate remained substantially stable since February 2011, nonetheless well below the peak of 2008 (23.7 percent in August 2008).

## **Influx of refugees and returnees puts pressure on food supplies**

The large number of refugees from Libya is putting pressure on overall food supplies. However, the number of refugees has begun to decline as the bulk of Libyans began to return to their country between June and July (only 5 500 Libyans are reported to be in Egypt as of 7 August 2011). On the other hand, the number of refugees from Third Countries Nationals (TCNs) continues to increase (estimated at more than 1 400 persons, as of 7 August 2011).

The flow of Egyptian workers from Libya has continued and as of 7 August 2011 returnees are estimated at more than 122 000 individuals.

A regional Emergency Operation (EMOP) initially envisaged for a three month period (March-May), has been extended for another three months (June-August). The EMOP is currently providing assistance to more than 1.5 million most affected people by the civil strife in Libya, Tunisia and Egypt. As of end of July, WFP has so far mobilized over 32 000 metric tonnes of food.

Reference Date: 25 May 2011

### FOOD SECURITY SNAPSHOT

- Overall prospects for the 2011 wheat crop are good
- The country's food import bill and the cost of its food subsidy programme have increased, reflecting higher international wheat prices
- Access to food constrained by high food prices
- Increasing demand for food for refugees from Libya

### A good cereal harvest is in prospect

Planting of the 2011 wheat and barley crops, to be harvested from May, has been completed under good weather conditions. Most winter crops are irrigated and early prospects are generally favourable. About 1.3 million hectares have been planted to wheat in 2010/11 which is 5 percent more than last year.

Moreover, the use of improved seeds contributed to the increase of wheat yields to 7.1 tonne/hectare in 2011 from 5.7 tonne/hectare in 2010 according to official sources. Wheat production is expected to reach 7.9 million tonnes in 2011, which is about 11 percent higher than in 2010 and similar to the past five-year average.

### Wheat imports remain high

Egypt is the world's largest wheat importer with about 10 million tonnes imported in marketing year 2009/10 (July/June). Over 50 percent of the imports were from Russia. In view of the reduced supply from Russia, alternative sources are in use, and wheat imports in 2010/11 are forecast to be close to last year's levels. Consequently, the increase in world prices of wheat has added substantially to the cost of Egyptian wheat imports in 2010/11 and to the expenditure for the Government's bread subsidy programme.

### Access to food is constrained by high food prices

For most consumers, while the high cost of imported wheat will not be felt directly on account of the country's safety net programme, increases in the non-subsidized wheat flour price has caused prices of other wheat products to go up. At national level, nominal wheat prices increased by 38 percent in the year to April 2011.

The sharp rise in wheat prices occurred against a background of increases in other domestic food prices, Fruit and vegetable prices increased by 52 percent in the year to April 2011, while the price of other food items (excluding fruits and vegetables) rose by 15.9 percent over the same period. Domestic rice prices have also increased driven by a lower supply following Government policy to reduce water use. Rice prices in March 2011 were 28.6 percent higher than a year ago in spite of Government ban on rice exports (through October 2011). As a result of these developments, the year-on-year rate of inflation was estimated at 11.5 percent in April 2011 compared to 10.3 percent in December 2010. Nonetheless the inflation rate has remained well below the peak of 2008 (23.7 percent in August 2008).

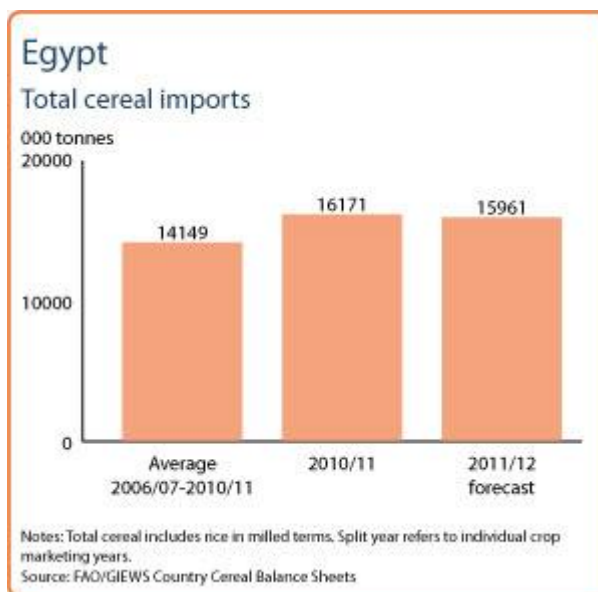
### Massive influx of refugees and returnees put



#### Egypt Cereal production

	2006-2010 average	2010	2011 forecast	change 2011/2010
	000 tonnes			percent
Wheat	7 864	7 169	7 928	11
Maize	7 385	8 000	7 898	-1
Rice (paddy)	6 181	4 500	4 300	-4
Others	826	750	808	8
<b>Total</b>	<b>22 405</b>	<b>20 536</b>	<b>21 075</b>	<b>3</b>

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



## **pressure on food supplies**

Rising numbers of refugees and returnees from Libya (more than 282 000 individuals including about 85 000 Egyptian returnees as of mid May) place increasing demand on food supplies at border camps. A regional Emergency Operation (EMOP) is currently underway, distributing food to about 1.06 million of the most affected people by civil strife in Libya, Tunisia and Egypt over a period of three months (March-May).

Reference Date: 17-February-2011

### FOOD SECURITY SNAPSHOT

- Overall prospects for the 2011 wheat crop are favourable
- Rice output continues to drop, reflecting Government efforts to restrict water use
- The country's food import bill and the cost of its food subsidy programme is expected to increase, reflecting higher international wheat prices

### Early prospects for the 2011 winter crops are favourable

Planting of the 2011 wheat and barley crops, to be harvested from May, has been completed under normal weather conditions. Most winter crops are irrigated and early prospects are generally favourable.

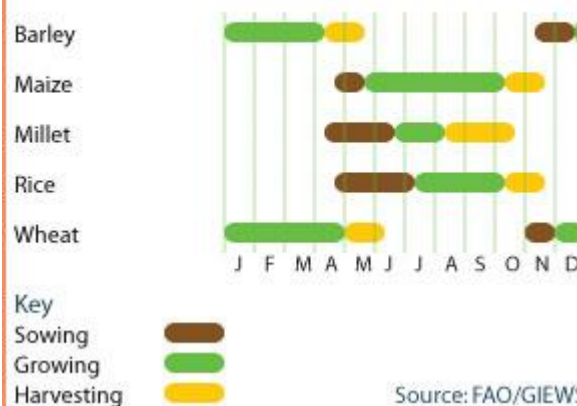
Aggregate cereal production in 2010 was estimated at about 21.9 million tonnes (rice in paddy terms), which compares to 22.6 million tonnes in 2009 and the average of 22.9 million tonnes in the past five years. The decline in cereal production was driven mainly by a steep drop in rice output, reflecting Government policy to reduce area planted to rice in order to restrict water use. Production of wheat was estimated at about 8.5 million tonnes, compared to the past five-year average of 8 million tonnes. The slight increase in wheat and maize harvest was not enough to offset the estimated 18 percent contraction in rice output in 2010 compared to 2009.

### Access to food is constrained by high food prices

Egypt is the world's largest wheat importer with about 10 million tonnes imported in marketing year 2009/10 (July/June). Over 50 percent of these imports had been coming from Russia. In view of the reduced supply from Russia in 2010/11, alternative sources are being used. However, the increase in world prices of wheat will add substantially to the cost of Egyptian wheat imports in 2010/11 and to the expenditure for the Government's bread subsidy programme. For most consumers, while the high cost of imported wheat will not be felt in view of the country's safety net programme, increases in the non-subsidized wheat flour price has caused prices of other wheat products to go up. At national level, nominal wheat prices increased by 32 percent in the year to December 2010.

The sharp rise in wheat prices occurred against a background of increases also in other domestic food prices, notably of rice, meat and vegetables. Domestic rice prices increased driven by a lower supply following Government policy to reduce water use. These developments created inflationary pressure towards the end of 2010. Nonetheless inflation rate has remained well below the peak of 2008. The year-on-year rate of inflation was estimated at 10.3 percent in December 2010 compared to 23.7 percent in August 2008. Inflation rates in the food sector (food and drinks account for more than 40 percent of the consumer price index) were 17.2 percent and 30.9 percent in December 2010 and August 2008 respectively. After a peak (average) of 18.3 percent in 2008, the year-on-year rate of inflation fell steadily thereafter and was estimated at an average of 11.1 percent in 2010.

### Crop calendar Egypt



### Egypt

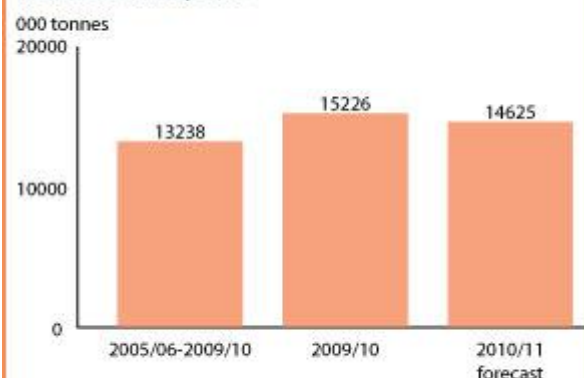
#### Cereal production

	2005-2009 average	2009	2010 estimate	change 2010/2009
	000 tonnes			percent
Wheat	8059	8523	8500	0
Maize	7325	7686	8000	4
Rice (paddy)	6506	5520	4500	-18
Others	1008	926	890	-4
<b>Total</b>	<b>22898</b>	<b>22656</b>	<b>21890</b>	<b>-3</b>

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

### Egypt

#### Total cereal imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.  
Source: FAO/GIEWS Country Cereal Balance Sheets

Reference Date: 15-September-2010

### FOOD SECURITY SNAPSHOT

- Wheat production increased this year.
- Rice output continues to drop, reflecting Government efforts to restrict water use.
- The country's food import bill and the cost of its food subsidy programme will increase, reflecting higher international wheat prices.

### Below average rice production expected

Harvesting of the 2010 wheat crop has been completed while that of maize is about to start. Production of wheat should be about 8.6 million tonnes, compared to the past 5-year average of 8 million tonnes and 2009 production of 8.5 million tonnes. The increase is due normal to abundant rains that have benefited the crops throughout the season. An average maize output is expected. By contrast, production of paddy is forecast to decline for the second year running, reflecting Government policy to reduce area planted to rice in order to restrict water use.

### Access to food is constrained by increasing food prices

Egypt is the world's largest wheat importer with about 10 million tonnes imported in marketing year 2009-10 (July-June). Over 50 percent of these imports had been coming from Russia. Consequently, the recent Russian ban on wheat exports and subsequent sudden sharp rises in prices has raised serious concerns over the food supply outlook in Egypt.

Provision of subsidised bread is central to Government food policy and the food security of the poor. The cost of this safety net Program is expected to increase significantly. Another impact of the wheat price spike has been an increase in non-subsidised wheat flour price which has caused prices of other wheat products such as pasta, biscuits and cookies to go up.

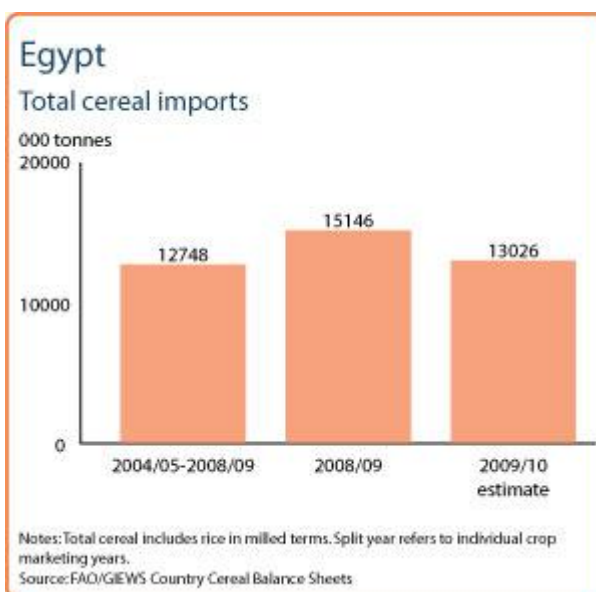
The sudden rise in international wheat prices occurred against a background of increasing food prices, notably of rice and meat. Rice prices increased by 14 percent in July, leading to an overall increase of 31 percent since May 2010. The recent jump in rice prices was driven by lower supply following the Government efforts to reduce rice area.



### Egypt Cereal production

	2004-2008 average	2008	2009 estimate	change 2009/2008
	000 tonnes			percent
Wheat	7799	7977	8523	7
Maize	7035	7401	7000	-5
Rice (paddy)	6673	7253	5675	-22
Others	1008	999	996	0
<b>Total</b>	<b>22514</b>	<b>23630</b>	<b>22194</b>	<b>-6</b>

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



Reference Date: 19-April-2010

### FOOD SECURITY SNAPSHOT

- A close-to-average harvest is anticipated for this year's winter crops.
- Reduced inflation improved access to food during most of 2009
- However, since September 2009 the rate of inflation has shown an upward trend

### Overall crop prospects are favourable

Overall growing conditions have been adequate for the largely irrigated wheat and barley crops planted in October/November for harvest in April/May. The area planted to winter cereal crops is estimated at about 1.31 million hectares, which is slightly below the 2009 level.

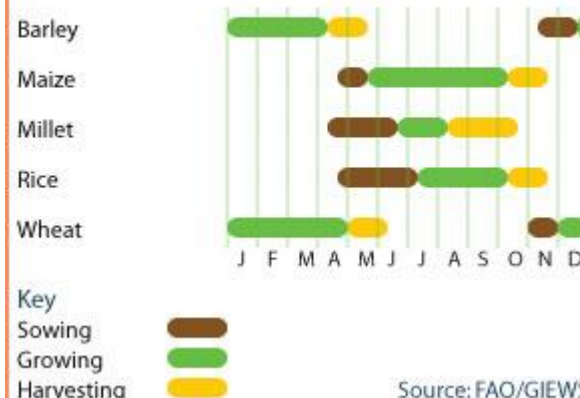
### 2008/09 harvest was average

Aggregate cereal production in 2009 was estimated at 22.19 million tonnes, which compares to 23.63 million tonnes in 2008 and the average of 22.51 million tonnes in the previous 5 years. The drop in production was driven by a steep decline in rice area.

### Inflation picked up at the end of 2009, driven mainly by the food sector

Inflation has been rising again since September 2009, driven mostly by price changes in the food sector where the year-on-year rate of inflation increased from 13.4 percent in August 2009 to 24.1 percent in January 2010, making access to food more difficult for some segments of the population. Previously, the good wheat production in 2009 coupled with a significant decline in international commodity prices, have helped to reduce inflation, with the year-on-year inflation rate in the food sector dropping from 30.9 percent in August 2008 to 13.4 percent in August 2009.

### Crop calendar Egypt



### Egypt

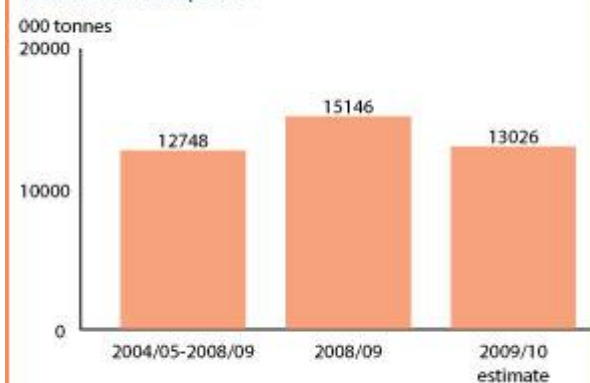
#### Cereal production

	2004-2008	2008	2009	change
	average		estimate	2009/2008
000 tonnes				
percent				
Wheat	7799	7977	8523	7
Maize	7035	7401	7000	-5
Rice (paddy)	6673	7253	5675	-22
Others	1008	999	996	0
<b>Total</b>	<b>22514</b>	<b>23630</b>	<b>22194</b>	<b>-6</b>

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

### Egypt

#### Total cereal imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.  
Source: FAO/GIEWS Country Cereal Balance Sheets

Reference Date: 13-January-2010

### FOOD SECURITY SNAPSHOT

- Cereal production dropped in 2009 driven by a significant cut in rice area and production
- Reduced inflation improved access to food during most of 2009

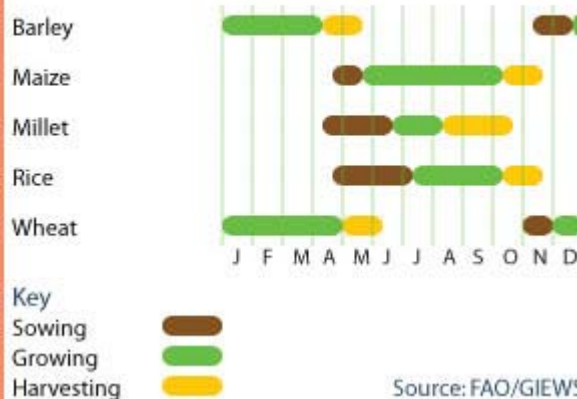
### 2008/09 harvest was average

Planting of the 2010 wheat and barley crops has been completed under normal weather conditions. Aggregate cereal production in 2009 was estimated at 21.6 million tonnes (rice in milled terms), which compares to 21.3 million tonnes in 2008 and the average of 20.4 million tonnes in the past 5 years. The drop in rice area and production was offset by a large increase in wheat output.

### Inflation dropped following decline in food prices but picked up at the end of 2009

The good wheat production, combined with a significant decline in international commodity prices, has helped to reduce inflation and have improved the access to food. The year-on-year overall inflation rate in urban areas dropped to 9 percent in August 2009 after having peaked at 23.6 percent in August 2008. This decline was mostly due to price changes in the food sector where the year-on-year rate of inflation dropped from 30.9 percent in August 2008 to 13.4 percent in August 2009. However an upward trend was observed at the end of the year with inflation reaching 13.3 in October 2009.

### Crop calendar Egypt

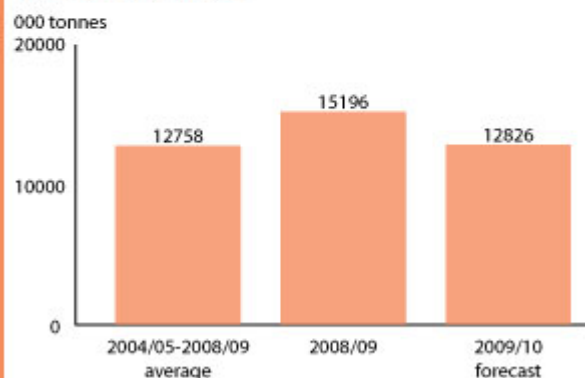


### Egypt Cereal production

	2004-2008 average	2008	2009 forecast	change 2009/2008
	000 tonnes			percent
Wheat	7799	7977	8802	10
Maize	7035	7401	7000	-5
Rice	6671	7247	7000	-3
Others	1008	999	971	-3
<b>Total</b>	<b>22513</b>	<b>23624</b>	<b>23773</b>	<b>1</b>

Note: percentage change calculated from unrounded data.

### Total cereal imports



Notes: Total cereal includes rice in milled terms. Split year refers to individual crop marketing years.

Source: FAO/GIEWS Country Cereal Balance Sheets

Reference Date: 24-September-2009

### FOOD SECURITY SNAPSHOT

- Favourable crop prospects for 2009, reflecting adequate growing conditions
- Reduced inflation improved access to food

### Average crop anticipated for 2008/09

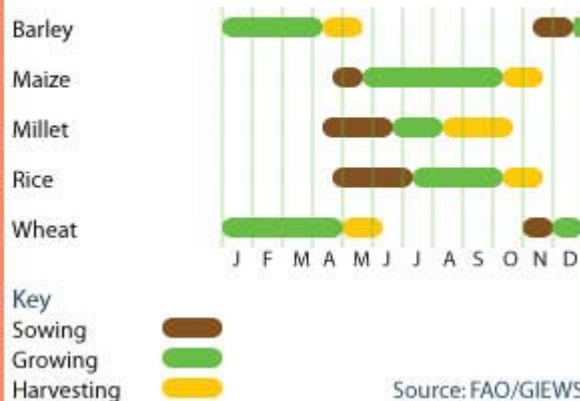
Harvesting of the 2009 wheat crop has been completed while that of maize is about to start. Production of wheat is expected to be about 7.87 million tonnes, compared to the past 5-year average of 7.79 million tonnes and 2008 production of 7.97 million tonnes. An average maize output is also anticipated.

### Inflation dropped following decline in food prices

The generally favourable crop prospects for 2009 combined with a significant decline in international commodity prices have helped the reduction of inflation and improved access to food. The year-on-year rate of inflation in urban areas dropped steeply to 9.9 in June 2009 after having peaked at 23.6 percent in August 2008. Inflation is driven mainly by price changes in the food sector where the year-on-year rate of inflation dropped from 30.9 percent in August 2008 to 12.2 percent in June 2009.

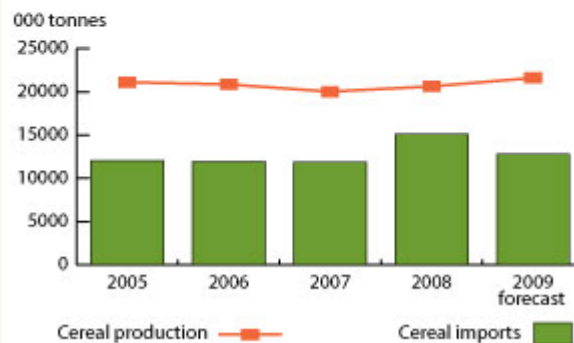
The Government removed the export ban on rice on February 4, 2009. However, rice exporters, under current regulations, are required to supply the government the same amount of rice as they export.

### Crop calendar Egypt



### Cereal production and imports Egypt

Cereal production	2004-2008	2008	2009	change
	average		forecast	
	000 tonnes		percent	
Wheat	7799	7977	8802	10.3%
Maize	6886	6655	7000	5.2%
Rice (milled)	4603	5001	4830	-3.4%
Other	1025	1006	982	-2.4%
<b>Total Cereals</b>	<b>20294</b>	<b>20639</b>	<b>21614</b>	<b>4.7%</b>



Source: FAO/GIEWS Country Cereal Balance Sheets