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Prepared By: Shaza Roushdy, Senior Agricultural Specialist and Olutayo O. Akingbe, Agricultural Attaché

Approved By: Kurt Seifarth, Minster Counselor for Agricultural Affairs

Report Highlights:

Post revises 2020/2021 production forecast down. Egypt experienced a difficult table grapes season due to unexpected weather conditions. In April and May this year, a heat wave accompanied with strong winds resulted in a 17 percent drop in the forecasted production. High demand, especially for exports, has helped to stabilize prices. MY 2021/2022, production is expected to reach 1.4 MMT and exports are forecasted at 170,000 MT. Egypt is gaining market access for its table grapes to India, Myanmar, Nepal, Brazil, and Serbia.

Egypt's Table Grapes Production, Supply and Demand

Grapes, Fresh Table Market Year Begins Egypt	2019/2020		2020/2021		2021/2022	
	Jun 2019		Jun 2020		Jun 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted ^(HA)	49200	49200	50400	50400	0	51000
Area Harvested ^(HA)	47520	47520	48720	48720	0	49500
Commercial Production ^(MT)	1385000	1385000	1420000	1170280	0	1435000
Non-Comm. Production ^(MT)	0	0	0	0	0	0
Production ^(MT)	1385000	1385000	1420000	1170280	0	1435000
Imports ^(MT)	125000	12500	120000	12000	0	8000
Total Supply ^(MT)	1510000	1397500	1540000	1182280	0	1443000
Fresh Dom. Consumption ^(MT)	1360000	1247500	1370000	1027280	0	1273000
Exports ^(MT)	150000	150000	170000	155000	0	170000
Withdrawal From Market ^(MT)	0	0	0	0	0	0
Total Distribution ^(MT)	1510000	1510000	1540000	1182280	0	1443000
(HA) ,(MT)						

Production:

Post revises commercial table grape production in Egypt in MY 2020/2021 to from 1.42 MMT to 1.17 MMT, a drop of 17 percent than previously forecasted. The drop is attributed to a heat wave that hit Egypt in March and April 2021 and to strong winds during the flowering period, especially of the early variety. Production per hectare decreased from 29 MT to 24 MT. Commercial table grape production in Egypt is forecast to reach 1.43 MMT in MY 2021/2022 (October-September), a 22 percent increase over the previous year. This year, weather conditions are expected to be favorable, growers continue to adopt new technologies, and growing demand is driving up production.

Grapevines are among the most suitable fruit crops for sandy soils and newly reclaimed land, as well as for the older Egyptian land traditionally farmed next to the Nile river. For this reason, cultivated areas of table grapes exist across the country. There is no non-commercial production of grapes in Egypt, so table grape production estimates in Egypt represents only commercial use.

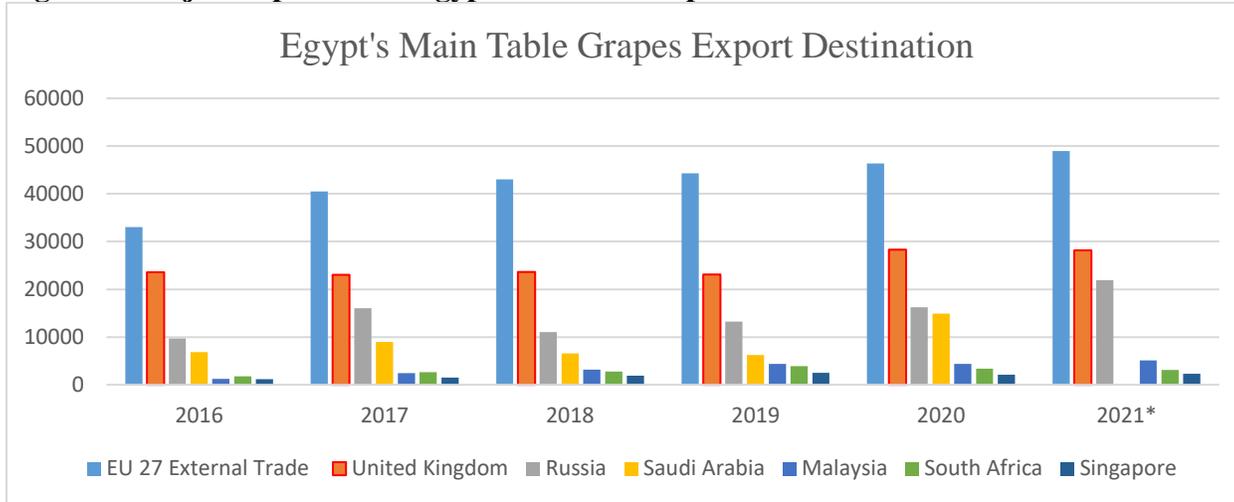
Table grapes is second only to citrus in terms of production quantities in Egypt. Grape cultivation is spread geographically from Alexandria in the north to Aswan in the south, which – combined with the production of early and late ripening grapes – enables the prolonged availability of fresh table grapes in the market from May to November. Yet two areas in particular – Behira and El-Sadat – represent the overwhelming majority of grape exports to the European Union, Egypt's largest table grape market. Behira represents about 40 percent of the total planted area of grapes in Egypt and 18 percent of total production. Climate conditions, types of soil, and production technology are the main factors that give table grapes the ability to be grown all over Egypt.

Planting season begins the first week of February. Planting is done via cuttings, where they are planted in black polyethylene bags, filled with a mixture of peat moss and sand, and stored in greenhouses before the seedlings are transferred into the open field. The vines start fruiting in their third year.

Harvesting season in Egypt for early grape varieties begins in late May and ends in September. Harvesting for late varieties begins in late June and ends by November. The Thompson and Flame seedless varieties dominates production as it remains popular in the EU market, the major importer of

Egyptian grapes (see Figure 1). However, producers are expanding toward higher value varieties to supply other markets and meet the evolving palate of consumer tastes worldwide. The most popular of these other varieties includes Early Superior, Superior, and Roomy.

Figure 1: Major Importers of Egyptian Table Grapes



Source: Egyptian Agriculture Export Council (AEC), Trade Data Monitor, LLC
 *2021 figures are from January - August

Producers state that grapes are one of the most expensive crops to cultivate compared to other crops. In 2020, one hectare of grapes would initially cost approximately \$15,000, not including land costs. In 2021, industries are reporting a 30 percent increase in the cost of production brought on by COVID-19 pandemic-related supply chain disruptions that limited the availability of certain inputs causing a jump in its prices. Nevertheless, investments in producing high value grape varieties offer good returns, especially for the producers who are targeting export markets. In 2021, the demand for Egyptian table grapes has been high and is expected to remain so with producers anticipating a relatively higher return.

Figure 2: Grape production in Beheira Governorate, Egypt



Source: FAS Cairo Office field visit September 2021

Consumption:

Post revises down domestic consumption of fresh grapes MY 2020/2021 from 1.37 MMT to 1.02 MMT in response to the decrease in production. Current table grape prices are a bit higher than in prior seasons and consumer purchase power is low, an effect of the COVID-19 pandemic.

Domestic consumption of fresh grapes is forecast at 1.27 MMT in MY 2021/2022, an increase of 23 percent from the previous year's consumption level of 1.02 MMT. The local grape market is an important market for producers because grape imports are not very high and losses are quite considerable, which impacts the total availability. Large-scale, export-oriented producers and small-scale grape farmers who produce mainly for the local market experience wide disparities in the access to and the use of production resources, finance, and technology. Moreover, inadequate research and development, lack of cold chain and marketing infrastructures, and insufficient coordination among value chain stakeholders pose risks to grape quality and productivity, thus limiting exports only to producers who can make large investments.

Trade:

Post revises down MY 2020/2021 exports to 155,000 MT, eight percent down from forecasted figure of 170,000 MT. The revision reflects production losses, especially with the early varieties that are usually exported to the European Union. FAS forecasts exports to reach 170,000 MT in MY 2021/2022, eight percent higher than the previous year. The EU countries and the United Kingdom were the top export destination in CY 2020, accounting for 35 percent of total exports. Other important markets are Russia and Saudi Arabia with 14 and 13 percent of the export market share, respectively.

Egypt imports very few quantities of table grapes. In MY 2021/2022, imports are expected to be 8000 MT. Egypt mainly imports table grapes from South Africa, Spain, Australia, Italy, and few quantities from the United States. Typically, the imports would cover the window where there is no domestic production. The imported table grapes are usually sold at very high prices at specialty retail stores. Import data for MY 2020/2021 and MY 2019/2020 has been corrected and the PSDs revised. The changes are significant.

Policy:

Egyptian table grapes have access to numerous markets, including the United States, the European Union, Canada, Russia, China, and Gulf countries. In the last couple of years, Egypt succeeded to gain access to more countries including India, Myanmar, Nepal, Brazil, and Serbia. In addition, technical discussions are underway for market access to the Philippines, Vietnam, Ecuador, Thailand, New Zealand, and Argentina. These new markets once opened will help absorb any increased production.

The Ministry of Agriculture (MoA) has taken steps to strengthen its export system. In 2021, MoA adopted the application of the coding system according to Decision 116/2021. The decision sets procedures to coordinate logistics with farms – uploading farm locations via GPS and registering all farms and pack houses that are deemed to export. Throughout the season, the Egyptian Central Administration for Plant Quarantine (CAPQ) monitors the production, takes samples and ensures that export requirements are verified, including pesticides residues. CAPQ along with the Agriculture Export Council (AEC) work together to comply with the phytosanitary regulations of trading partners, enabling Egyptian grapes to access a wide range of international markets. The AEC and CAPQ also worked

together to develop a list of registered lands and pack houses where these producers and facilities are only eligible to export after complying with an array of requirements. This system enhances the quality of the production targeted for exports and strengthens the compliance with phytosanitary requirements of the importing countries.

Attachments:

No Attachments.

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