

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary - Public

Date: 10/15/2018

GAIN Report Number: EG18024

Egypt

Post: Cairo

Egyptian Standards Complicate Beef Trade

Report Categories:

Market Development Reports
Trade Policy Monitoring
Livestock and Products

Approved By:

Ali Abdi, Agricultural Minister Counselor

Prepared By:

Shaza Roushdy, Senior Agricultural Specialist, and Bret Tate, Agricultural Attaché

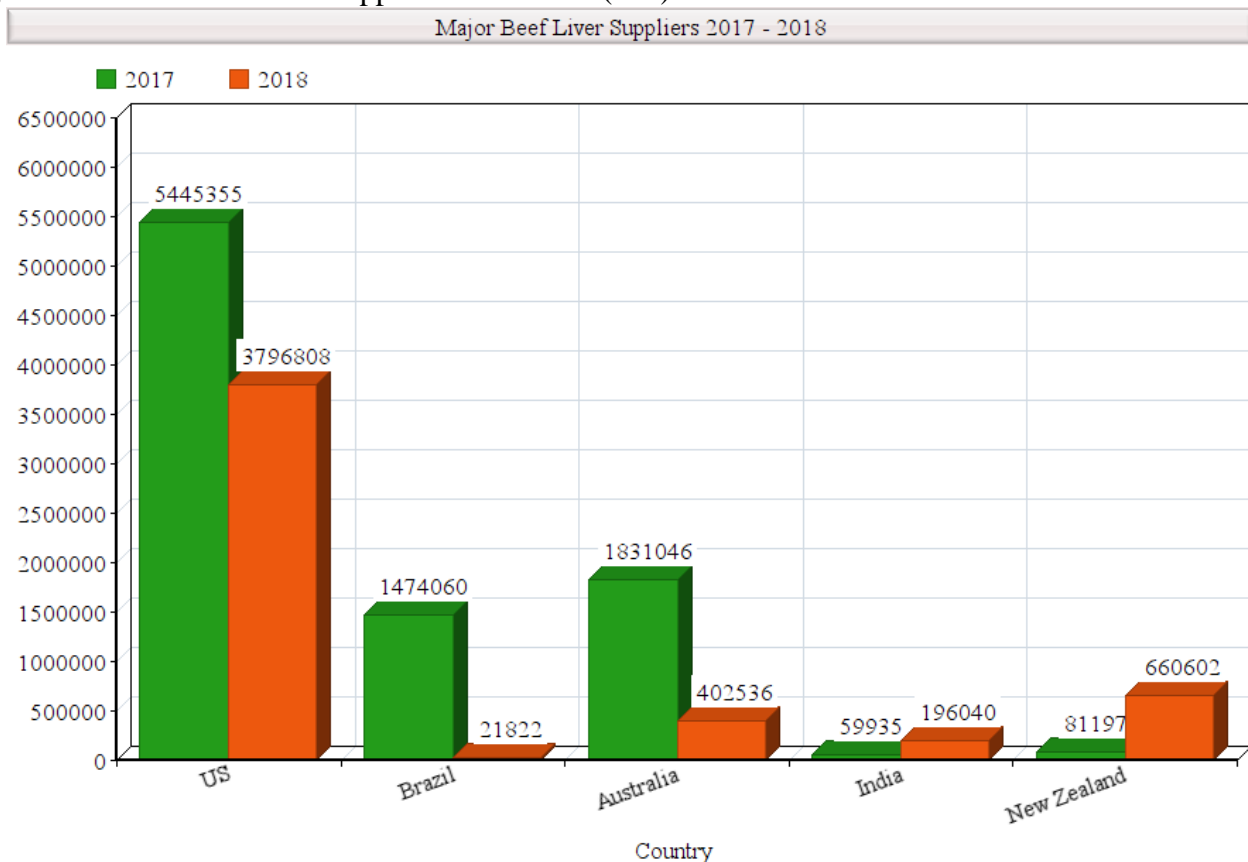
Report Highlights:

Since around August 2018, an increased level of U.S. beef liver shipments have been rejected at port due to a zero tolerance for Ractopamine, a commonly used veterinary drug. While the shipments tend to be below the Codex Alimentarius residue limits, Egypt is now maintaining a zero tolerance for the drug residues. Importers are facing high testing costs and lengthy delays. Some exporters have suggested that they may discontinue shipments to Egypt until the issue is resolved.

Egypt as a Buyer of US Beef Liver

In 2017, Egypt imported approximately nine million metric tons (MT) of frozen beef liver, of which 60 percent came from the United States. Through August 2018, imports reached 5.1 million MT, with shipment from the US representing 70 percent of the total followed by New Zealand and Australia. The US, Brazil and Australia tend to be the major suppliers of liver to Egypt.

Figure 1: Frozen Beef Liver Suppliers 2017-2018 (MT)



Egyptians consume liver, known locally as kebda, in many local staple recipes. It is not only an affordable source of protein, but also a delicious meal for the majority of Egyptian families. Recently, prices of liver-based foods slightly increased. Today the price of kebda sandwiches ranges from EGP 15 – 25 (\$0.85 – 1.5) compared to EGP 10 -15 (\$0.60 – 0.85) in 2016. In addition, fried liver is purchased by kilogram at an average price of EGP 160 (\$8.5) compared to EGP 130 (\$7) in 2016. However, the current price of imported frozen liver ranges from EGP 30-40 (\$ 1.6 -2.25).

Egyptian Standards

The Egyptian standard regulating the imports of liver are based on EU regulation number 2377/1990.

This regulation sets a zero tolerance level for many veterinary drug residues, including ractopamine. Ractopamine is a veterinary drug widely used in beef production. The current Egyptian standard controlling veterinary drug levels, standard number 7135/2010, was implemented in 2011 by ministerial decree 266.

On August 1, 2017, Egypt's Ministry of Health (MoH) became the responsible agency for testing beef for drug residues. Prior to that time, the Ministry of Agriculture and Land Reclamation carried out the testing, normally applying Codex standards. The Ministry of Health instituted mandatory testing of every shipment since August, 2017. The vast majority of shipments cleared customs after testing. Despite this, MOH has maintained its mandatory testing of every shipment. In recent weeks, the detection of residues increased sharply, and this has initiated multiple additional sampling and testing by the MOH. It is not clear what led to the increased findings.

The General Organization for Import and Export Control (GOIEC) is the organization that provides final clearance for imports. According to GOIEC regulations, shipments may be sampled a maximum of three times following an initial positive finding. If all three samples test positive, the GOIEC rejects the lot. An industry contact reported in August 2018 that final rejection rates had reached around ten percent of shipments.

Each test requires a minimum of five days, but results often take up-to four weeks. Egyptian regulations require that all shipments be tested at port. A contact from industry indicated that each sample costs EGP 4900 (\$272). In cases where three samples are tested, sampling alone may cost up to EGP 14,700 (\$816). The direct costs of sampling, as well as the indirect costs associated with delayed release from port, are limiting demand and driving up prices.

The office of Agriculture Affairs continues to engage with Egyptian authorities in coordination with U.S. industry to address this issue.