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## Egypt

### Grain and Feed Update 2017

#### Egypt's Wheat and Corn Imports Hold Steady, Rice Exports Remain Restricted

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**Report Highlights:**

FAS Cairo forecasts Egypt's wheat production in marketing year (MY) 2017/18 at 8.1 million metric tons (MMT). Wheat imports are forecast in MY 2017/18 at 11.7 MMT. Imports in MY 2016/17 are revised downward from USDA's official forecast figure of 11.5 MMT to 11.4 MMT due to limited access to foreign currency needed for wheat import purchases between July-October 2016. Corn imports are forecast in MY 2017/18 at 8.8 MMT. Post is revising downwards its MY2016/17 import figures to 8.7 MMT from USDA's estimate of 9 MMT. Broken rice exports are forecast in MY 2017/18 at 100,000 MT, contingent on the government permitting the resumption of exports. Despite the accumulation of larger than normal stocks in MY 2016/17, Egypt continues to restrict rice exports.

**Executive Summary**

FAS Cairo forecasts Egypt's total wheat production in marketing year (MY) 2017/18 at 8.1 million metric tons (MMT). Planted area at about 1.26 million hectares (ha) remains the same. Post's forecast production figures remain unchanged from USDA's official MY 2016/17 estimates. USDA's official MY 2016/17 wheat consumption estimate of 19.7 MMT has been revised downward by 1.5 percent. Inflated prices charged for private-sector baked goods have driven consumer demand down by 20-25 percent.

On July 16, 2017, the Ministry of Supply and Internal Trade (MOSIT) announced completing the purchase of 3.4 MMT of local wheat. The price paid by the government for local wheat ranged \$210/MT to \$218/MT based on quality and moisture levels. Wheat imports are forecast in MY 2017/18 at 11.7 million metric tons. Imports in MY 2016/17 are revised downward from USDA's official forecast figure of 11.5 MMT to 11.4 MMT due to limited access to foreign currency needed for wheat import purchases between July-October 2016.

The General Authority for Supply Commodities (GASC), an agency of the MOSIT, is the country's single largest purchaser of wheat; issuing 27 import tenders for 5.85 MMT of wheat in MY 2016/17 compared to 4.5 MMT in MY 2015/16. The three largest suppliers in MY 2016/17 were Russia (4.47 MMT), Romania (1.26 MMT), and Ukraine (560,000 MT). The average price paid by the GASC during the last two tenders of MY 2016/17, including freight, was roughly \$205 per metric ton.

FAS Cairo forecasts Egypt's corn imports in MY 2017/18 at 8.8 million metric tons. Post is revising downwards its MY2016/17 import figures to 8.7 MMT from USDA's estimate of 9 million metric tons. The Egyptian pound's devaluation (November 3, 2016) doubled the cost of imported corn, slowing imports.

Post forecasts Egypt's broken rice exports in MY 2017/18 at 100,000 MT, contingent on the government permitting the resumption of exports. Despite the accumulation of larger than normal stocks in MY 2016/17, the government is continuing to restrict rice exports. We anticipate a clearer picture to emerge of whether restrictions might be eased following the MY 2017/18 (August-September) harvest. Potentially Egypt can export upwards of 500,000 MT of milled rice at about \$600/MT where it not for the restrictions in place.

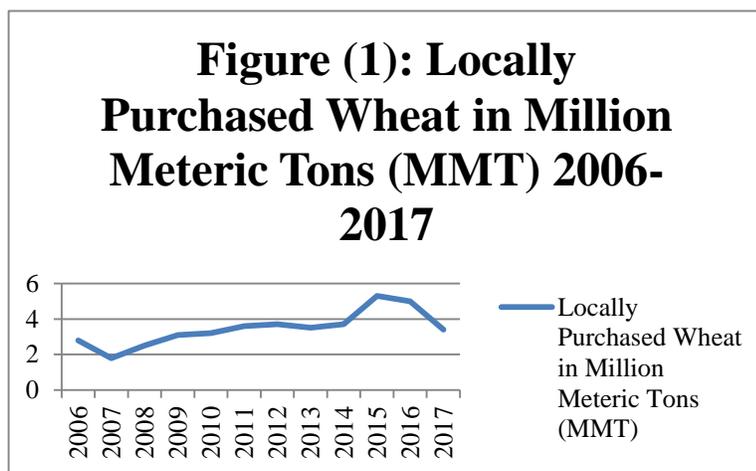
## **Wheat Production:**

FAS Cairo forecasts Egypt’s total wheat production in marketing year (MY) 2017/18 at 8.1 million metric tons (MMT). Planted area at about 1.26 million hectares (ha) remains the same. Post’s forecast production figures remain unchanged from USDA’s official MY2016/17 estimates.

Population growth, land fragmentation, as well as urban encroachment on the fertile lands in the Nile Delta are hindering horizontal expansion (i.e., area planted) efforts. As agricultural lands are taken out of production increasingly for residential construction, externalities such as decreased water availability and drainage are affecting yields in adjacent fields. The Ministry of Agriculture and Land Reclamation (MALR) is consequently focusing increasingly on vertical expansion (i.e., increasing yields by unit area).

**Domestic Wheat Procurement:**

Post estimates that Egypt in MY 2017/18 will procure 3.5-3.7 MMT of locally produced wheat. The government procures local wheat from April 15 to July 15. On July 16, 2017, the Ministry of Supply and Internal Trade (MOSIT) announced completing the purchase of 3.4 MMT of local wheat. The price paid by the government for local wheat ranges Egyptian pound (EGP) 555 to EGP 575 per ardeb (or \$210/MT to \$218/MT) based on quality and moisture levels (Figure 1); one ardeb is equal to approximately 150 kilograms.



SOURCE: FAS Cairo office research.

**Table (1): U.S. Dollar – Egyptian Pound, Foreign Exchange Rates - 2016 to 2017**

Pre Devaluation (Nov. 3, 2016 )	\$1.00	~ EGP 8.88
Post Devaluation (July 2017)	\$1.00	~ EGP 17.60

SOURCE: FAS Cairo office research.

Currently four government agencies are wheat purveyors to the General Authority for Supply Commodities (GASC):

- 1- The Holding Company for Food Industries (1 MMT)
- 2- The Egyptian Holding Company for Silos and Storage (1.56 MMT)
- 3- The General Company for Silos and Storage (143,000 MT)
- 4- The Egyptian Agriculture Bank (697,000 MT)

### **Consumption:**

FAS Cairo forecasts Egypt's total wheat consumption in MY 2017/18 at 19.7 MMT, up 1.5 percent from MY 2016/17 consumption estimate of 19.4 million metric tons. Post attributes the uptick to 2.2 percent increase in food, seed and industrial use (FSI) consumption. The rise in FSI consumption of wheat is driven by population growth (growing at 2.5 percent per annum). Egypt with a population of 97 million (Central Intelligence Agency, est., July 2017) is adding roughly 2 million people per year. Today it is host to an estimated 5 million refugees from Iraq, Syria, Libya, Yemen, and Sudan.

USDA's official MY 2016/17 wheat consumption estimate of 19.7 MMT is revised downward by 1.5 percent. Egypt's annual inflation rate averaged 31.6 percent during January-June, 2017, driven mostly by an average of 38.3 percent increase in food prices. Post attributes inflated prices charged for private-sector baked goods for driving consumer demand down by 20-25 percent. We find that the cost of 72 percent extraction flour used by private bakeries and the large retailers' in-store bakeries has gone up by 100 percent.

#### *Subsidized Baladi Bread Remains at EGP 0.05 (\$0.01) per Loaf*

The government's bread subsidy system remains unchanged. Every beneficiary is allowed 150 loaves per month or five loaves per day. "Baladi" (i.e., common, traditional) bread is sold at a subsidized price of EGP 0.05 per loaf (\$0.01 per loaf), which is less than one tenth of its cost. The government compensates bakeries for the difference in production cost. The current cost of subsidizing one loaf of baladi bread is estimated at EGP 0.57 or \$0.03.

The current system permits beneficiaries who consume less than the quota amount to convert their bread savings into points (1 point = EGP 0.01). These points may be spent on 44 food products. These may be purchased from 27,000 MOSIT partnered private grocery stores, as well as from 5,000 state-owned consumer complexes. Reportedly the point system costs the government some EGP 5.4 billion annually (\$306 million).

#### *Subsidy Program Inefficiencies Being Addressed by the MOSIT (August 1, 2017)*

Following the Egyptian pound's devaluation on November 3, 2016, the domestic price of milled wheat flour went from EGP 2,800/MT (\$315/MT at \$1.00 to EGP 8.88) to EGP 4,700/MT (\$267/MT at \$1.00 to EGP 17.60), an increase of almost 68 percent in local currency terms. While the private mills offered flour at the new price of EGP 4,700/MT, some of the public mills continued to supply bakers with 82 percent extraction flour for (subsidized) baladi bread production at the pre-devaluation rate of EGP 2,800/MT (now \$159/MT at \$1.00 to EGP 17.60). Some bakers took advantage of the situation and resold the flour to other private bakers at EGP 4,700/MT, especially in rural areas where oversight is minimal.

To control wheat flour leakages, the MOSIT along with public and private sector millers, the EGYPTIAN Chamber of Commerce, and the Chamber of Cereal Industries signed an agreement on August 1, 2017, fixing a price for the GASC supplied wheat. The agreement calls for the GASC to sell wheat at EGP 4,000/MT (\$227/MT) to public and private sector mills. Millers agreed to sell flour at EGP 4,700/MT (\$267/MT); the milled flour sell price is subject to a quarterly review. The 82 percent extraction flour is meant solely for use in baladi bread production.

The agreement aims to enhance the efficiency of the subsidy system. It subsidizes the final product, rather than the cost of the raw materials. It also seeks to generate competition among millers in order to produce higher quality flour, as well as better quality bread. The agreement requires bakers to pay millers for milled flour three days in advance.

The government in FY 2017/18 allocated EGP 85 billion (\$4.8 billion) for food subsidies. Of this amount, roughly EGP 46 billion is earmarked for the bread subsidy program while EGP 39 billion is for supply commodities. In FY 2016/17, prior to the devaluation, the budget allocated for food subsidies was EGP 41 billion (\$4.7 billion); some EGP 23 billion was allocated for the bread subsidy program while EGP18 billion went for supply commodities.

#### **Trade:**

FAS Cairo forecasts Egyptian wheat imports in MY 2017/18 at 11.7 million metric tons. Import figures for MY 2016/17 are revised downward from USDA’s official forecast figure of 11.5 MMT to 11.4 MMT due to limited access to foreign currency for wheat import purchases. This limited access to foreign currency adversely impacted the issuance of letters-of-credit from July-October 2016.

The General Authority for Supply Commodities (GASC), an agency of the MOSIT, is the country’s single largest purchaser of wheat; issuing 27 import tenders for 5.85 MMT of wheat in MY 2016/17 compared to 4.5 MMT in MY 2015/16. The three largest suppliers in MY 2016/17 were Russia (4.47 MMT), Romania (1.26 MMT), and Ukraine (560,000 MT). The average price paid by the GASC during the last two tenders of MY 2016/17, including freight, was roughly \$205 per metric ton.

On May 15, 2017, the GASC modified its tender protein specifications. For Black Sea wheat, the protein content of wheat has changed from 12 percent to 12.5 percent. For North and South American wheat, as well as EU-origin wheat the protein content has increased from 11.5 percent to 12 percent.

Traders interpret this shift to herald an opportunity for more participations of U.S. and Canadian-origin wheat in future GASC tenders. Ukr-AgroConsult claims that this import rule will restrict Ukraine participation in GASC tenders. However, as of July 1, 2017, Ukrainian wheat has been successfully tendered in nine GASC tenders; purchases reaching 235,000 MT compared to 60,000 MT during the same period in July 2016.

**Table (2): The GASC’s Wheat Tenders, MY 2016/17**

<b>Tender No.</b>	<b>Tender date</b>	<b>Shipment Period</b>	<b>Origin</b>	<b>Tonnage /MT</b>	<b>Total/MT</b>
<b>1</b>	12 July 2016	Aug 10-20	Russia Ukraine	120,000 60,000	180,000

<b>2</b>	15 July 2016	Aug 21-30	Russia Romania	120,000 180,000	300,000
<b>3</b>	27 July 2016	Sept 1-10	Romania Russia	60,000 60,000	120,000
<b>4</b>	01 Aug 2016	Sept 11-20	Russia	60,000	60,000
<b>5</b>	22 Aug 2016	Sept 21-30	cancelled	cancelled	cancelled
<b>6</b>	26 Aug 2016	Sept 26-Oct 5	Russia	180,000	180,000
<b>7</b>	30 Aug 2016	Oct 6-15	cancelled	cancelled	cancelled
<b>8</b>	15 Sep 2016	Oct 15-25	cancelled	cancelled	cancelled
<b>9</b>	19 Sep 2016	Oct 16-26	cancelled	cancelled	cancelled
<b>10</b>	22 Sep 2016	Oct 21-31	Russia	240,000	240,000
<b>11</b>	03 Oct 2016	Nov 1-10	Russia	240,000	240,000
<b>12</b>	12 Oct 2016	Nov 11-20	Russia Romania	60,000 120,000	180,000
<b>13</b>	19 Oct 2016	Nov 21-30	Russia	120,000	120,000
<b>14</b>	24 Oct 2016	Dec 1-10	Romania Russia	240,000 180,000	420,000
<b>15</b>	07 Nov 2016	Dec 11-20	Romania Russia	60,000 180,000	240,000
<b>16</b>	10 Nov 2016	Dec 15-25	Russia	60,000	60,000
<b>17</b>	29 Nov 2016	Jan 2-11	Russia	240,000	240,000
<b>18</b>	19 Dec 2016	Jan 20-31	Argentina Russia Romania	120,000 180,000 60,000	360,000
<b>19</b>	28 Dec 2016	Feb 1-10	Ukraine Russia	60,000 175,000	235,000
<b>20</b>	13 Jan 2017	Feb 15-25	Russia Romania	175,000 60,000	235,000
<b>21</b>	19 Jan 2017	Feb 22-March 3	Ukraine	60,000	60,000
<b>22</b>	25 Jan 2017	March 1-10	Russia	410,000	410,000
<b>23</b>	16 Feb 2017	March 16-25	Russia Romania Ukraine	240,000 60,000 60,000	360,000
<b>24</b>	21 Feb 2017	24 March- April 5	Russia Ukraine	300,000 60,000	360,000
<b>25</b>	27 Feb 2017	April 1-10	Russia France Romania Ukraine	235,000 120,000 120,000 60,000	535,000
<b>26</b>	15 March 2017	April 15-25	Russia France Ukraine	300,000 55,000 60,000	415,000
<b>27</b>	16 May 2017	June 15-24	USA Russia	115,000 60,000	295,000

			Romania	60,000	
			Ukraine	60,000	

NOTE: As of July 2017, the GASC purchased 2.61 MMT of wheat, with Russia now supplying 65 percent of total purchases (see, Table 3).

**Table (3): The GASC's Wheat Tenders, July-September 2017**

Tender No	Shipment period	Tender Date	Ukraine	Russia	Romania	France	Total/MMT
1	July 1-10	May 30		120	60		180
2	July 10-20	June 9		240	120		360
3	July 15-25	June 12	60	180	60		300
4	July 25-Aug 5	June 21	55		120		175
5	Aug 5-15	July 5		350	60		410
6	Aug 10-20	July 7		115			115
7	Aug 21-31	July 18		120	120	60	300
8	Sept 1-10	July 25	60	300	60		420
9	Sept 20-30	Aug 16	60	295			355
			235	1,720	600	60	2,615

#### Stocks:

FAS Cairo forecasts ending stocks in MY 2017/18 at 3.75 MMT, a decrease of 11 percent from Post's MY 2016/17 estimate of 4.15 MMT; which was revised upward from USDA's official estimate of 3.95 million metric tons. The increase in MY 2016/17 ending stocks is due to lower FSI consumption.

The General Authority for Supply Commodities keeps normally a three-to-four month supply of stocks (including wheat) in the import pipeline, while an additional one-month supply of wheat transits to Egypt.

Wheat Market Begin Year Egypt	2015/2016		2016/2017		2017/2018	
	Jul 2015		Jul 2016		Jul 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1260	1260	1260	1260	1260	1260
Beginning Stocks	4336	4336	4607	4607	3957	4157
Production	8100	8100	8100	8100	8100	8100
MY Imports	11925	11925	11500	11400	12000	11700
TY Imports	11925	11925	11500	11400	12000	11700
TY Imp. from U.S.	42	42	167	120	0	120
Total Supply	24361	24361	24207	24107	24057	23957
MY Exports	554	554	550	550	550	500
TY Exports	554	554	550	550	550	500

<b>Feed and Residual</b>	1400	1400	1400	1400	1300	1300
<b>FSI Consumption</b>	17800	17800	18300	18000	18700	18400
<b>Total Consumption</b>	19200	19200	19700	19400	20000	19700
<b>Ending Stocks</b>	4607	4607	3957	4157	3507	3757
<b>Total Distribution</b>	24361	24361	24207	24107	24057	23957
<b>Yield</b>	6.4286	6.4286	6.4286	6.4286	6.4286	6.4286
(1000 HA) ,(1000 MT) ,(MT/HA)						

## **Corn Production:**

FAS Cairo forecasts corn production in MY 2017/18 at 6 MMT, largely unchanged from MY 2016/17. Planted area at 750,000 hectares similarly remains the same. Reportedly white corn planted area reaches 500,000 hectares, with yellow corn plantings accounting for the balance.

The government has outlined a national strategy to increase feed corn acreage; it aims to reach 1.1 million hectares by calendar year (CY) 2020. The strategy incorporates improved extension services, the use of higher-yielding seed, the adoption of procurement price processes encouraging growers to make more timely decisions, and improved marketing channels.

The Ministry of Agriculture and Land Reclamation during this review period midwived a contract between the Union of Poultry Producers (UPP), agricultural cooperatives, and the Egyptian Agriculture Bank. The contract requires the UPP to buy domestic corn at EGP 3,400/MT (\$193/MT); this is the procurement price set in mid-July 2017 by the ministry.

This season the ministry established 500 extension fields across Egypt, showcasing new maize hybrids produced by the Agriculture Research Center (ARC), as well as demonstrating good agricultural practices needed for obtaining higher yields while decreasing post-harvest losses.

## **Consumption:**

FAS Cairo forecasts corn consumption in MY 2017/18 at 15 MMT, up 3.4 percent from the MY 2016/17 estimate of 14.5 million metric tons. The MY 2016/17 estimate is revised downward from USDA's official estimate by 4.1 percent due to a 70 percent increase in poultry feed prices. Domestic poultry feed (60-70 percent corn) prices have jumped from EGP 4,000/MT (\$454/MT) prior to the November 2016 devaluation now to EGP 6,800/MT (\$386/MT). Soybean meal prices have also jumped from EGP 4,000/MT (\$454/MT) now to EGP 6,800/MT (\$386/MT). Despite the drop in dollar value terms, the domestic price of commodities has become increasingly less affordable since the November 2016 devaluation.

Post finds that the price of vaccines and of poultry medicines have doubled as a result of the floating of the Egyptian currency, increasing in some cases by more than 120 percent. The market is witnessing several shortages of common vaccines used by the poultry industry, leading to greater-than-expected losses due to outbreaks of viral diseases such as Newcastle disease (ND), avian influenza (H5N1 and H5N8 strains), and infectious bronchitis (IB).

Fish feed prices have increased by 75 percent in Egyptian pounds. The price of extruded feed for tilapia increased from EGP 4,000/MT (\$454/MT) prior to the devaluation to now EGP 7,000/MT (\$398/MT). Extruded feed for sea bass has increased from EGP 12,000 to over EGP 23,000 today. The high price of feed has led to a 40 percent increase in local fish prices.

The surge in grain and feed prices has driven inflation to record highs. The annual rate of inflation climbed to 32 percent in June 2017, versus 24 percent in June 2016. The Central Agency for Public Mobilization and Statistics (CAPMAS) in May 2017 reports that inflation is being driven by price increases for meat and poultry (up 38 percent), fish and seafood (up 55 percent), and bread and grains (up 32 percent).

### **Trade:**

FAS Cairo forecasts imports in MY 2017/18 at 8.8 MMT, up 2.3 percent from Post's MY 2016/17 estimate. Post is revising downwards MY 2016/17 imports to 8.6 MMT from USDA's estimate of 9 million metric tons. We attribute the drop to foreign exchange challenges faced by importers prior to the November 2016 devaluation. Following the devaluation, prices have more than doubled in the domestic market. Imports have now slowed due to a reduction in the consumption rates by the poultry, aquaculture, and dairy industries.

Egyptian importers are dissatisfied with U.S. corn's quality, mainly the high percentage of broken kernels. Corn imports from October 2016 to July 31, 2017 reached 6.69 million metric tons. Ukraine (3.34 MMT), Argentina (2.2 MMT), and Brazil (475,000 MT) are Egypt's top three corn suppliers. During this period, Egypt imported 219,000 MT of U.S.-origin corn.

### *Imports of Distiller's Dried Grains with Solubles and Corn Gluten.*

Imports (January-June 2017) of distiller's dried grains with soluble (DDGS) have reached 87,600 metric tons. Imports of DDGS in CY 2016 reached 133,000 metric tons. The United States accounts for 99.4 percent of Egypt's DDGS imports. Imports of corn gluten meal reached 47,200 MT in January-June 2017. Imports of corn gluten meal in CY 2016 reached 148,000 MT.

Both corn gluten meal and DDGS are used with poultry, dairy and beef cattle, and aquaculture rations. Prices of DDGS today in the local market are at EGP 4,300/MT (\$244/MT). Prices for corn gluten meal today command EGP 12,400/MT (\$704/MT). Prices of corn gluten meal and DDGS have increased by 100 percent because of the float of the Egyptian currency.

### **Stocks:**

Post forecasts corn stocks at 2 MMT in MY 2017/18. The MY 2016/17 stock quantity is raised upward from USDA's estimate by 5.7 percent driven by slower consumption growth.

Corn Market Begin Year Egypt	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	750	750	750	750	750	750
Beginning Stocks	2295	2295	2215	2135	2105	2225
Production	6000	6000	6000	6000	6000	6000
MY Imports	8776	8350	9000	8600	10000	8800

<b>TY Imports</b>	8776	8350	9000	8600	10000	8800
<b>TY Imp. from U.S.</b>	847	0	0	0	0	0
<b>Total Supply</b>	17071	16645	17215	16735	18105	17025
<b>MY Exports</b>	6	10	10	10	10	10
<b>TY Exports</b>	6	10	10	10	10	10
<b>Feed and Residual</b>	12450	12100	12700	12100	13400	12500
<b>FSI Consumption</b>	2400	2400	2400	2400	2500	2500
<b>Total Consumption</b>	14850	14500	15100	14500	15900	15000
<b>Ending Stocks</b>	2215	2135	2105	2225	2195	2015
<b>Total Distribution</b>	17071	16645	17215	16735	18105	17025
<b>Yield</b>	8	8	8	8	8	8
(1000 HA) ,(1000 MT) ,(MT/HA)						

## **Rice: Production:**

FAS Cairo forecasts that Egypt's milled rice production in MY2017/18 will decrease to 4.3 MMT from an estimated 4.8 MMT in MY 2016/17. The projected reduction is attributed to a decrease in the planted area dropping to 762,000 hectares in MY2017/18 from 850,000 hectares in MY 2016/17. Farmers are shifting to plant cotton or yellow corn due to the competitive procurement prices offered by the government. Post estimates for MY 2016/17 rice production and planted area remain unchanged from USDA official numbers.

Farmers planting rice in MY 2017/18 outside the government's allotment area of 451,920 hectares face fines of EGP 8,000/ hectare (\$454/hectare) compared to EGP 5,328/hectare (\$600/ hectare) prior to the November 2016 devaluation. According to a July 2017 report by the Ministry of Irrigation and Water Resources, satellite imagery of the delta revealed that 1.8 million feddans (762,000 hectares) were planted with rice, an increase of 68.6 percent over the government's allotted area. Farmers are willing take the risk planting rice since it is the cash crop of choice; it is easy to cultivate, high yielding, and profitable.

## **Consumption:**

FAS Cairo forecasts rice consumption at 4.25 MMT in MY 2017/18, similar to MY 2016/17 and in line with official USDA estimates. Rice is heavily consumed in the northern Delta and Suez Canal region, as well as in Cairo and Alexandria. Consumers in urban centers tend to purchase packaged rice, while consumers in rural areas rely more on unpackaged rice.

Domestic packaged rice sells for EGP 6.5/kilogram (kg) in public consumer complexes and at MOSIT outlets. Prices in the retail market range EGP 7-11/kg depending on the brand and quality. Unpackaged rice's prices range between EGP 5-7/kg and sold mainly in rural villages. Paddy rice prices currently sells for EGP 3,800/MT (\$216/MT) compared to EGP 5,200/MT (\$295/MT) in March 2017.

The Minister of Supply on August 29, 2017, announced that the ministry will tender twice monthly for rice starting September 1, 2017. It seeks to purchase the new local crop based on market prices. The government's subsidy program absorbs 70,000 MT of rice per month.

## **Trade:**

FAS Cairo forecasts Egypt's broken rice exports in MY 2017/18 at 100,000 MT, contingent on the government permitting the resumption of exports. Despite the accumulation of larger than normal stocks in MY 2016/17, the government is continuing to restrict rice exports. We anticipate a clearer picture to emerge of whether restrictions might be eased following the MY 2017/18 (August-September) harvest. Potentially Egypt can export upwards of 500,000 MT of milled rice at about \$600/MT where it not for the restrictions in place.

Efforts by the Agriculture Export Council and the Chamber of Cereal Industries urging the Ministry of Trade and Industry to reconsider its decision may lead to a resolution to resume broken rice exports. Post does not foresee Egyptian milled rice exports in the near future.

### Stocks:

FAS Cairo forecasts that ending rice stocks in MY 2017/18 will reach 1.49 MMT, similar to post's MY 2016/17 estimate, which was revised downward from USDA's official estimate by 80,000 MT or 5.3 percent. The government's ban on milled rice and broken rice exports were the main contributors to the large amount of stocks in MY 2016/17.

Rice, Milled Market Begin Year Egypt	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	650	650	850	850	700	762
Beginning Stocks	924	924	924	854	1574	1494
Milled Production	4000	4000	4800	4800	4000	4300
Rough Production	5797	5797	6957	6957	5797	6232
Milling Rate (.9999)	6900	6900	6900	6900	6900	6900
MY Imports	100	80	150	140	50	50
TY Imports	116	80	150	140	50	50
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	5024	5004	5874	5794	5624	5844
MY Exports	200	200	100	100	100	100
TY Exports	200	200	100	100	100	100
Consumption and Residual	3900	3950	4200	4200	4250	4250
Ending Stocks	924	854	1574	1494	1274	1494
Total Distribution	5024	5004	5874	5794	5624	5844
Yield (Rough)	8.9185	8.9185	8.1847	8.1847	8.2814	8.1785
(1000 HA) ,(1000 MT) ,(MT/HA)						