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Local Beef Prices Soar, Some Egyptians are Boycotting, but More Meat is in the Forecast

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Report Highlights:
In 2016, ending inventories and calf production are expected to increase by 4 percent while beef and veal production is projected to increase by 10 percent. Beef consumption is expected to increase by 8 percent reflecting the increase in population and the availability of fresh and frozen beef at affordable prices through Egypt's new food subsidy program. Live cattle imports are expected to increase by 30 percent while beef and veal imports are forecast to grow by 5.5 percent.

PS&D Tables:

Animal Numbers, Cattle Egypt	2014		2015		2016		
	Market Year Begin: Jan 2014		Market Year Begin: Jan 2015		Market Year Begin: Jan 2016		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Total Cattle Beg. Stks	6,260	6,260	6,485	6,485		6,725	(1000 HEAD)
Dairy Cows Beg. Stocks	3,990	3,990	4,010	4,010		4,210	(1000 HEAD)
Beef Cows Beg. Stocks	0	0	0	0		0	(1000 HEAD)
Production (Calf Crop)	1,700	1,700	1,780	1,780		1,850	(1000 HEAD)
Total Imports	200	200	170	170		220	(1000 HEAD)
Total Supply	8,160	8,160	8,435	8,435		8,795	(1000 HEAD)
Total Exports	0	0	0	0		0	(1000 HEAD)
Cow Slaughter	455	455	470	470		570	(1000 HEAD)
Calf Slaughter	70	70	80	80		80	(1000 HEAD)
Other Slaughter	930	930	940	940		950	(1000 HEAD)
Total Slaughter	1,455	1,455	1,490	1,490		1,600	(1000 HEAD)
Loss	220	220	220	220		200	(1000 HEAD)
Ending Inventories	6,485	6,485	6,725	6,725		6,995	(1000 HEAD)
Total Distribution	8,160	8,160	8,435	8,435		8,795	(1000 HEAD)

Note: “New Post” data reflect FAS Cairo’s assessments and are NOT official USDA data.

Meat, Beef and Veal Egypt	2014		2015		2016		
	Market Year Begin: Jan 2014		Market Year Begin: Jan 2015		Market Year Begin: Jan 2016		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Slaughter (Reference)	1,455	1,455	1,490	1,490		1,600	(1000 HEAD)
Beginning Stocks	0	0	0	0		0	(1000 MT CWE)
Production	310	310	320	319		350	(1000 MT CWE)
Total Imports	270	270	270	270		285	(1000 MT CWE)
Total Supply	580	580	590	589		635	(1000 MT CWE)
Total Exports	0	0	0	0		0	(1000 MT CWE)
Human Dom. Consumption	580	580	590	589		635	(1000 MT CWE)
Other Use, Losses	0	0	0	0		0	(1000 MT CWE)
Total Dom. Consumption	580	580	590	589		635	(1000 MT CWE)
Ending Stocks	0	0	0	0		0	(1000 MT CWE)
Total Distribution	580	580	590	589		635	(1000 MT CWE)

Note: “New Post” data reflect FAS Cairo’s assessments and are NOT official USDA data.

Production

For 2016, FAS Cairo forecasts an increase of 4 percent in both the cattle ending inventories and the calf crop. Post attributes this increase to improved disease control and government policies oriented to increase meat production. Post estimates the cattle population at 8.8 million head, equally split between cows and buffaloes. Post's numbers are similar to the Ministry of Agriculture and Land Reclamation (MALR) 2014 cattle population estimate of 8,696,245 head, however, with an uneven distribution with 4,744,971 head of cows or 56 percent and 3,951,274 head of buffaloes or 44 percent.

For beef production, post forecasts an increase in production of 10 percent, or 31,000 MT, to 350,000 MT in 2016 compared to 319,000 MT in 2015. From this year to next, the total number of cattle for slaughter is estimated to climb by 7 percent, or 110,000 head, to 1.6 million head compared to 1.490 million head. The growth is a direct result of the increased number of cattle for immediate slaughter, greater population growth due to disease control, and governmental policies.

Disease Control

According to MALR's General Organization for Veterinary Services (GOVS), from January through April 2015, there were nineteen reported cases of foot and mouth (FMD) disease, all of which were properly treated. To date, there is no report of losses in the cattle population due to FMD.

Post attributes the improvement in disease control to the government's efforts in tackling the disease through the mandatory immunization of the country's cattle herd. In May 2013, Egypt amended Agricultural Law 53 (1966) making livestock immunization and insurance mandatory. Farmers and livestock breeders are obligated to vaccinate their livestock, as well as to purchase insurance against disease-induced animal losses. The mandatory fee for this service is Egyptian Pounds (LE) 70/year (~$9/year)/animal.

Government Efforts to Increase Meat Production

In July 2015, MALR announced an increase in the funding allocated to the "Veal Project" of LE300 million ($38 million), with the goal of increasing red meat production in order to make it more affordable. The additional money will be allocated through a credit line funded by the Ministry of Finance, bringing the total allocation to LE750 million ($96 million). According to the MALR, at the end of 2014, 1,433 farmers from 15 different governorates were benefiting from the project with total loans of LE81 million ($10 million), using the proceeds to purchase 21,693 animals.

The "Veal Project" was approved in early 2012 by the Social Fund for Development (SFD) and the Principal Bank for Development and Agricultural Credit (PBDAC) with LE450 million ($58 millions) in funds. The project aims to improve livestock rearing in Egypt's governorates in an effort 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. Breeders obtaining the loans are required not to slaughter the animal until it reaches the age of 2 years and a weight of 250 kilograms.

In addition, in December 2013, the MALR instituted a prohibition on the slaughter of live cattle that are less than 250 kilograms in an effort to increase red meat production. According to the Ministry, the decision, which took effect on February 2014, aims to protect 300,000 to 500,000 calves. The decision will also prevent the slaughter of young female calves which at this age and weight are more capable of reproduction.

Sources at GOVS confirmed that this regulation is effective and is enforced by its inspectors at all state-run slaughtering facilities. Although most of the beef produced in Egypt comes from animals slaughtered at these facilities, it is hard to monitor the slaughter of large numbers of animals in small villages and rural areas.

High Input Costs for Cattle Production:

Despite the government's effort to increase meat production through disease control and the slaughtering and veal policies, expansion in cattle production continues to be constrained by the high cost of inputs, as Egypt is heavily dependent on imported feed ingredients used by the livestock industry accounting for close to 60 percent of the industry's needs. Most breeders are using a combination of corn silage, alfalfa hay, yellow corn, beet, soybean meal, sunflower meal, and feed additives (vitamin and mineral salts) to feed their animals. The majority of these components are imported or produced from imported items.

The depreciation of the Egyptian pound against the U.S. dollar has resulted in increased prices of imported feed ingredients. The U.S. dollar vis-à-vis the Egyptian pound has increased in value by almost 9 percent from LE7.20 in August 2014 to LE7.86 in August 2015. In addition, the shortages of U.S. dollars and the government's policies to control further erosion of the pound have increased the transaction costs to secure dollars, resulting in increased input costs.

Consumption

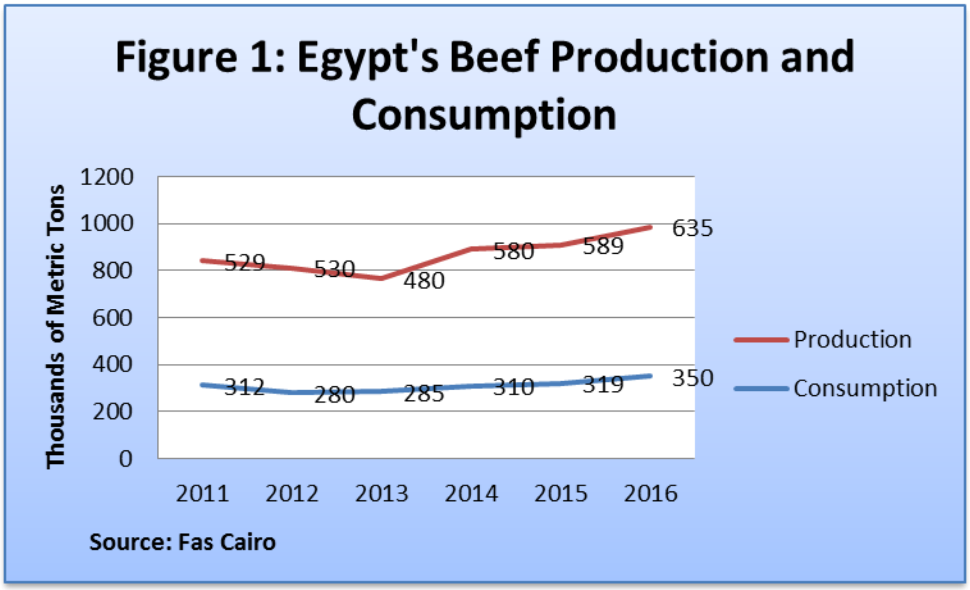
Post forecasts total beef consumption to increase by nearly 8 percent at 635,000 MT in 2016 compared to 589,000 MT in 2015. The increase in beef consumption is attributed to the increase in population and an expected increase in the affordability of fresh and frozen beef.

According to the government's recent census released in July 2015, Egypt's population stood at 90 million, with a growth rate of 2 percent, and is expected to reach more than 100 million by 2021. The MALR is estimating the average per capita consumption of total protein at 22 gram per day, and according to their estimates, the per capita annual consumption for various products is as follows:

- Fresh milk, 65 liters - Eggs, 75
- White meat (poultry), 12 kilograms - Red meat, 10 kilograms
- Fish, 18 kilograms.

Post's estimate of average per capita consumption for beef is 6.4 kilogram per year by dividing total red meat supply with total population

Red meat consumption in Egypt is composed primarily of locally produced fresh meat and imported ready for slaughter cattle that are quarantined at the port of export. It also depends on imports of frozen meat from key suppliers such as India, Brazil, and Uruguay.



The government, through its revised food subsidy program that started in 2014 and which is expected to continue in 2016, offers the opportunity for low income consumers to purchase fresh and frozen beef. The subsidy program allows eligible citizens to receive monthly cash assistance of LE 15 ($2.10) per family member through smartcards, of which the number of beneficiaries nationally is 67 million cardholders. The Ministry of Supply and Internal Trade (MoSIT), which is responsible for program implementation through consumer cooperatives run by its Food Industries Holding Company (FIHC), makes available for purchase by consumers a number of products including fresh and frozen beef at prices discounted from average market prices by 20-30 percent Egypt GAIN Livestock Annual Report 2014.

In July 2015, MoSIT announced changes to the law that governs the work of FIHC. This public sector company used to purchase food products including frozen and fresh meat through announced tenders. With the amended law, the company can now buy directly from local or international suppliers without tendering. Media reports indicated that FIHC is negotiating with companies in Sudan to increase beef imports to supply its consumer cooperatives. The MoSIT is always looking to identify international companies to negotiate directly with the FIHC to provide fresh and frozen beef at more affordable prices. The aim is to increase red meat per capita consumption among the majority of the people who cannot afford higher-priced, fresh local meat.

Additionally, the Ministry of Defense’s National Service Projects Organization NSPO offers fresh and frozen beef to the public at prices that are similar to those of FIHC. NSPO was established in 1979 with the mission of helping the Egyptian military engage in economic activities in order for the country to reach a degree of self-sufficiency.

The organization's website lists eleven companies that the NSPO owns, these include construction, agriculture, and agribusiness related companies. One of the companies, the Food Security Sector, is responsible for attaining self-sufficiency in food commodities, and any surplus commodities are sold in the local market as part of a social responsibility commitment. NSPO owns agricultural farms, livestock farms, and a high-tech slaughter facility in East Uwaynat region in the New Valley Governorate in Egypt's southwest.

Figure 2: Ministry of Defense's Refrigerated Car Selling Beef

Fresh and frozen beef produced by NSPO is sold to the public at commissaries located in different governorates or by refrigerated trucks in urban areas, especially with relatively large low-income neighborhoods. The benefits enjoyed by NSPO including tax exemption and subsidized labor enable it to be more competitive in selling at lower prices. Depending on the cut, imported beef offered by NSPO goes for LE 38 to LE 50 per kilogram. Recently, with the increase in meat prices, this outreach through circulating refrigerated trucks has increased to provide fresh and frozen beef to low income citizens.

Prices

Local fresh meat prices have gone up dramatically over the past five years. In 2010, local fresh beef was sold at LE50 per kilogram and has essentially doubled, depending on location and the cut, and now averages LE 65-120 per kilogram in August 2015. The increase in prices is driven by low production, the prevailing consumption patterns in which fresh meat is preferred over frozen meat, and the increase in input costs due to the increase in feed prices. Prices do vary by location, for example, in Cairo governorates prices for locally produced boneless beef in low income areas is LE 76.25 per kilogram ($10), while in high income areas, the average price is LE100 per kilogram ($13) (see table 1).
The weekly price report issued by Egyptian Cabinet Information and Decision Support Center (IDCS) found that during the first week of August 2015, the highest price for fresh boneless veal meat was in Port Said governorate at LE105 per kilogram ($13.5) while the lowest was in Fayoum at LE70 per kilogram ($9). The highest price for fresh bone-in veal meat was in Giza governorate at LE85 per kilogram ($10.8), while the lowest was in Port Said governorate at LE50 per kilogram ($6.4). Prices of

live cattle for slaughter also varied with the highest price in El-Wadi Al-Gadeed governorate at LE50 per live weight kilogram ($6.4) while the lowest was in Giza at LE24 per live weight kilogram ($3).

Prices of frozen and fresh imported meat also increased during the last few years. The country's foreign exchange liquidity problems, which began in 2012-13, led to the depreciation of the Egyptian Pound, driving consumer prices upward. In February 2015, as the Egyptian Pound depreciated due to a flourishing black market, the Egyptian government took radical steps to stabilize the currency, which at the time was trading at above LE8 compared to the official rate of LE7.2. The Central Bank placed limits on withdrawals from dollar-denominated bank deposits of $10,000 a day and $50,000 a month. Importers now spend much of their time managing different accounts to circumvent the limits in order to procure the necessary forex. However, this translates into higher transactional rates, which are passed on to the consumer.

For imported fresh and frozen beef, depending on the cut, the average price of Brazilian frozen beef ranges from LE39 per kilogram ($5) to LE48 per kilogram ($6.15). At FIHC's consumer cooperatives, Brazilian frozen beef ranges from LE39 per kilogram ($5) to LE55 per kilogram ($7). Sudanese fresh beef is sold at LE57 per kilogram ($7.30) while the average price for fresh Australian beef is LE57 per kilogram ($7.30) (see table 1).

Table: (1)
Average Beef Prices in local market
for June 2015 compared to May 2015

	Average Price (LE) during May 2015	**US$**	**Average Price during June 2015**	**US$**	**Month-to Month Change**
Local Produced					
Local Produced Beef	74.75	9.60	76.25	9.80	2%
Boned-in veal meat	84.38	10.80	90.63	11.60	7.4%
Fresh boneless beef	53.13	6.80	56.25	7.20	5.9%
Imported					
Brazilian Beef "shank cut"	37.25	4.80	38.44	4.90	3.2%
Brazilian Beef "tenderloin cut"	36.33	4.70	41.75	5.40	14.9%
Australian Beef "chuck cut"	26	3.30	26	3.30	0

Source: MSIT Prices are per kilogram

Soaring meat prices have prompted some consumers to call for a boycott of domestic beef. In July 2015, a group of housewives started a Facebook campaign that attracted thousands of followers. A month later, on August 3, 2015, several consumers called for the boycott of domestic meat in the governorate of Assiut, in the south of Egypt, asking people to turn their backs on purchasing local veal and beef due to dramatically increased prices. A week later, three other campaigns in support for Assiut's campaign were launched in El-Wadi Al-Gadeed, Sohag and Aswan governorates. Some consumers in these governorates announced their support for Assiut's campaign and called all consumers to boycott butcher shops.

MALR and MoSIT announced their support for these campaigns calling people to boycott what they call the mafia behind selling local meat at high prices. A local NGO called "Citizens Against Price

Increases" has called for the Egyptian public in all governorates to support these campaigns. Many other activities, actors, actresses, singers, and football players have also called their fans on social media to boycott meat. So far, the campaign has had no effect on meat prices, but observers expect that it will soon have effect in the coming weeks.

Figure 3: On the left, the campaign's poster calling for a boycott on beef, on the right, citizens in Upper Egypt carrying the campaign's poster

Local campaigns calling for the boycott of meat are not new in Egypt. In 2010, a number of households called for boycotting meat due to rising prices. The campaign attracted 100,000 supporters including media and the government, who supported the campaign accusing butchers of increasing meat prices with no justification. The campaign forced butchers to reduce their prices after a drop of 30 percent in their total sales.

Trade

Live Cattle Imports*:*

Post forecasts total live cattle imports in 2016 to increase by 30 percent or 50,000 head to 220,000 head compared to 170,000 head imported in 2015. Due to strong consumer preference for fresh meat over frozen meat, the government continues to expand live cattle imports for immediate slaughter from all approved origins, as well as increasing the number of eligible exporting countries, which must have the appropriate OIE – World Organization for Animal Health - classification and following its standards and also meet Egypt's import requirements.

In 2015, Sudan, Ethiopia, Uruguay, Ukraine, Hungary and Australia were Egypt's main suppliers of live cattle and are expected to remain as such in 2016. The list of approved origins for live cattle also includes the United States, Paraguay, Poland, Germany, the Netherlands, Kenya, Somalia, Spain, and Belgium.

In early 2015, GOVS approved Somalia and Spain to export live cattle and meat to Egypt. The first shipment from Spain will arrive in late August, carrying 5,000 animals for immediate slaughter. GOVS is also working with the Government of Chile, which should be approved in the latter part of 2015. In

2014, GOVS approved Pakistan for exporting beef to Egypt, and although no trade has occurred, a Pakistani company announced plans to export 500 tons of frozen meat to Egypt in the coming months.

Live Cattle Slaughter Operations

A key constraint to live cattle imports for slaughter is Egypt's insufficient slaughter capacity. Egypt has around 490 automated and non-automated slaughter facilities, most of which are government-owned. Only 18 facilities out of the 490 are approved for imported cattle. The slaughter of imported live cattle is only permissible at facilities located at or near the ports. The remaining 472 slaughter facilities are only for domestic slaughter. Portside slaughter facilities' processing capacity is low and inadequate for handling the high volume of imported animals.

U.S.-origin Live Cattle Imports:

U.S-origin live cattle are highly regarded among Egyptian importers and government officials. U.S. holstein dairy cattle for milk production are the preferred breed. A large Egyptian milk producer is using only U.S. bred heifers in its milking operation, as it's a sure bet to increase milk production relative to other breeds.

Table: (2)
US Exports to Egypt
Live Cattle

	2012		2013		2014		Jan - Jun 2015	
Livestock	Value	Qty	Value	Qty	Value	Qty	Value	Qty
Purebred breeding Female Dairy Cattle	0	0	2,467	1,386	0	0	0	0
Others, Breeding female cattle	6,572	3,135	0	0	0	0	0	0
Total	6,572	3,135	2,467	1,386	0	0	0	0
Values in $1000		Source: GTIS						

Nonetheless, tight supply of U.S. holstein cattle and high shipping costs are affecting trade with the United States. Egypt has not imported live U.S. cattle since 2013. In 2012, Egypt imported 3,135 head of live purebred female breeding cattle while in 2013 Egypt imported 1,386 head of live purebred female dairy cattle (table 2).

Egypt-Africa Trade

According to the Egyptian government, Egypt is keen to rearrange its foreign policy priorities, and the Egypt-Africa relationship comes near the top of the list; as Egypt's absence from the African arena allowed other players to capitalize on opportunities and threaten Egypt's interests in Africa. To achieve this policy, Egypt is seeking more trade ties and investments with African countries, especially neighboring countries and those within the Nile basin.

Egypt-Somalia:

In April 2015, Egypt-GOVS signed an agreement with the Somali Veterinarian Authorities, resuming the exportation of Somali live cattle to Egypt, which had been banned since 2005 due to animal health concerns. In July 2015, MALR announced the signing of an agreement in which Somalia would export 5,000 head of cattle for MALR’s Animal Wealth Sector. Under the agreement, which was signed by Egyptian Minister of Agriculture and Land Reclamation and the Somali Minister of Animal Wealth and Forestry, MALR is responsible for providing feed for these cattle until these are exported to Egypt, where they will be slaughtered.

Egypt-Ethiopia

In April 2014, Egypt-GOVS signed a protocol with veterinary authorities in Ethiopia to export the chilled meat produced from the slaughter of 750 head of cattle every week. The protocol came after Ethiopian Airlines agreed to reduce the air freight costs to keep Ethiopian meat prices affordable to Egypt’s consumers. Ethiopia is also one of the main suppliers of live cattle for immediate slaughter. As a landlocked country, Ethiopia uses the port of neighboring Djibouti to export to Egypt. Ships usually take 4 days from Djibouti to the Egyptian Port of Safaga (60 kilometer south of Hurghada). For live cattle, there is a slaughter facility in Safaga, which is owned by the private sector, and is specifically used for animals shipped from African countries.

Egypt-Sudan

In July 2015, the Egyptian government inked a deal with Sudan to increase meat imports. According to the deal signed by Egypt’s Minister of Supply and Internal Trade (MOSIT) and Sudan’s Trade Minister, Sudan will supply Egypt with live cattle for immediate slaughter while Egypt, in exchange, will supply Sudan with food and consumer products through Egypt’s HCFI. In another agreement, signed between MoSIT and a leading Sudanese company, the company will export around 75,000 head for slaughter at Egyptian facilities. The meat produced will be sold at FIHC consumers cooperatives.

Animals Imported from Africa must be Vaccinated against Rift Valley Fever

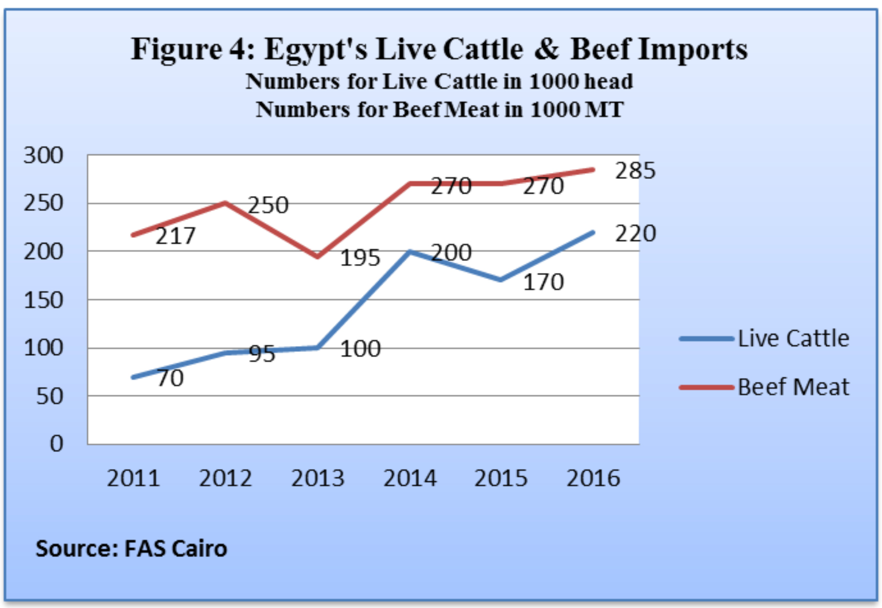
Earlier this year, GOVS amended the import requirements for live cattle for immediate slaughter imported from Sudan, Somalia and Ethiopia. Importers must provide a health certificate from the country of origin stating that the animals are free from rift valley fever (RVF). GOVS also stipulates that exporting countries vaccinate animals to be exported to Egypt against RVF during the quarantine period (29 days) in the country of origin. In Ethiopia, the price of RVF vaccine is around $35/head and exporters add this to the price of each animal exported to Egypt, which is ultimately paid for by the Egyptian consumer.

According to the World Health Organization, RVF is a viral zoonosis primarily affecting animals, but with the capacity to infect humans. The vast majority of human infections result from direct or indirect contact with the blood or organs of infected animals. Occupational groups such as herders, farmers, slaughterhouse workers and veterinarians are, therefore, at higher risk of infection.

Beef Imports

Post forecasts beef imports in 2016 to increase by 5.5 percent or 15,000 MT to 285,000 MT compared to 270,000 MT in 2015. The rise in beef imports is projected due to the continued shortfall in domestic supply, and as more Egyptian consumers change their preference toward frozen beef, due to its pricing.

According to GOVS, from January through July 15, 2015, Egypt imported close to 182,000 MT of frozen red meat, including 116,572 MT of cow meat and 65,125 MT of buffalo meat mainly from India. In 2015, the key suppliers of frozen beef are Brazil, Australia, Uruguay, Argentina, New Zealand and the United States. India is Egypt's main supplier of buffalo meat. Post expects that in the remainder of 2015 and 2016, the suppliers will remain unchanged.



U.S.-Origin Beef Imports

In 2014, Egypt's imports of U.S. frozen beef totaled about 1,000 MT compared to 17,333MT in 2013 (Table 3). During the first half of 2015, Egypt imported about 230 tons of U.S. frozen beef. Egypt, however, is the largest market for U.S. frozen beef livers and offal. In 2014, Egypt's imports of U.S. frozen beef livers and offal were valued at $145 million at a quantity of 122,133 MT. During the first half of 2015, Egypt imported 44,751 MT of U.S. frozen beef livers and offal valued at $69 million.

Most of U.S. frozen beef exports to this market are high quality beef cuts mostly used by the hotel and restaurant sectors. The drop in tourism since the 2011 revolution and the instability leading up to and following the change in government in mid-2013 have negatively affected U.S. exports of frozen beef to this market (table 3).

Hotel occupancy rates in Cairo, Alexandria, Luxor, and the Red Sea resorts have dropped markedly since the January 2011 Revolution and the security challenges that followed. In 2014, the total numbers of tourists was calculated at 9.9 million compared to 14.7 million tourists in 2010. Political and economic upheaval and uncertainty have also adversely impacted non-tourist consumption patterns.

Table: (3)
US Exports to Egypt of Frozen Beef

	2013		**2014**		**Jan - Jun 2015**	
Product	**Value**	**Qty**	**Value**	**Qty**	**Value**	**Qty**
US Beef	106	94	0	0	0	0
Total Frozen Beef	36,907	17,333	5,780	999.30	971	117.90
Quantities in MT & Values in $1000			Source: GTIS			

Egypt-Brazil

Brazilian beef exports to Arab countries climbed by 8.7 per cent last year, with the region consuming $907 million worth of beef, according to latest figures released by the Arab-Brazilian Chamber of Commerce-was the top destination of Brazilian beef exports followed by Algeria, Lebanon, United Arab Emirates and Libya. During the period, $526 million worth of Brazilian beef were shipped to Egypt, representing a 15.7 percent increase over 2013's $455 million.

In May of 2015, Egypt was one of the best-performing markets for Brazilian beef exports. The Brazilian Meat Exporting Industries Association reported that sales to Egypt reached US$66.81 million, a 165% increase over April. Year-on-year in May, exports increased by 98.9%, according to the Brazilian Ministry of Development, Industry and Foreign Trade.

Egypt-Australia

In August 2015, the first shipment of certified Australian Angus beef was sent to Egypt. The Australian supplying company stated through a press release that that it received export orders for high value branded and packaged loin cuts to supply various five-star hotels in Egypt, in addition to orders of Angus secondary cuts for retail distribution. The company said Egypt is an emerging market for Australian Angus beef and expects sustained and strong growth in sales in the coming years.

Market Access:

On February 7, 2015, the Egyptian Organization for Standardization (EOS) at Ministry of Industry, Trade and Small and Medium Enterprises amended the standards for meat and variety meats. The new amendment eliminates maximum residue level (MRLs) for naturally-occurring hormones in foodstuffs of animal origins but continues to establish zero tolerance for the use of synthetic hormones. Imports of frozen beef and varieties from all origins are now subject to lab testing against synthetic hormones. If synthetic hormones are detected, the shipment will be rejected and the importer has to re-export the shipment elsewhere or back to the supplier.

A zero tolerance level for the use of synthetic hormones is extremely restrictive and an unnecessary, non-scientific barrier to trade. Codex Alimentarius has developed science-based MRLs for veterinary drugs, including hormones that ensure the wholesomeness of beef and beef products. The use of animal hormones has been an acceptable practice in many countries for decades, including in Australia, Canada, and the United States with no deleterious effect on consumers. Animal growth promotants (hormones) became an issue of concern in Egypt in 2012 when two Australian cattle shipments (approximately 32,000 head) arrived with hormone implants Egypt GAIN Livestock Annual Report 2014.

Egypt-GOVS conducts individual plant audits to determine the eligibility of beef facilities to export to Egypt. The audits evaluate both food safety and halal practice requirements (in accordance with Islamic rules and principles). Once a plant is approved it might be subject to a re-audit every three years to renew its eligibility. Islamic centers in the United States which are responsible for issuing halal certificates must also be approved by GOVS. Halal certificate along with other documents are required to accompany the shipment Egypt's 2014 FAIRS Report.

Egypt also requires that beef meat must come from cattle that are less than 48 months old for deboned meat and for boned meat from animals less than 30 months of age due to BSE concerns, although this requirement is not in line with the OIE guidelines. For live cattle, calves for slaughtering and calves for fattening are subject to a 21-day pre-shipment quarantine and 28-day quarantine on arrival. In addition, there is a compulsory inspection by GOVS for each consignment, covering the entire pre-shipment quarantine period in the country of origin.

Table: (4)
Egypt's Imports of Live Cattle and Frozen Beef in 2014

	2014	
Cattle for Immediate Slaughter	98,659	head
Breeding Cattle	65,464	head
Pregnant Cattle	22,136	head
Total Live Cattle	**186,259**	head
Frozen Cow Meat	185,687	tons cwe
Frozen Buffalo Meat	175,658	tons cwe
Frozen Chilled Beef	301	tons cwe
Veal Meat	5,393	tons cwe
Total Frozen and Chilled Meat	**367,039**	tons cwe

Source: GOVS