

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary Public

Date: 7/24/2016

GAIN Report Number:

Egypt

Post: Cairo

Nile Nuggets for July 2016

Report Categories:

Agriculture in the News

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Report Highlights:

News on developments in agriculture and food in Egypt.

Nile Nuggets

News on Developments in Agriculture and Food in Egypt
July 2016

FRAUD CASES in EGYPT'S LOCAL WHEAT DELIEVERY: Local wheat harvest season is over, but accusations of fraud in the delivery process have surfaced and a parliamentary committee is investigating. While members of the committee have been paying surprise visits to silos to monitor the quantities and quality of the wheat delivered, they confirmed evidence that there was false reporting of the delivered quantities. The committee announced that there were discrepancies between the quantities listed in registers and the actual quantities in the silos. Between 40 and 50 percent of the wheat recorded was missing from some silos inspected. Silo owners are paid by the government for the reported volume purchased. By registering quantities higher than the amounts actually delivered, the owners of the silos pocket the difference in payment. In cases where fraud was uncovered, the missing quantities could be made up with cheaper imported wheat, allowing the owners to still earn the difference between the domestic and international prices (currently near US\$145/MT). The committee said it will continue the investigation and send the whole case to the Egyptian General Prosecutor for investigations.

EGYPT REJECTS U.S WHEAT SHIPMENT DUE TO ERGOT CONTAMINATION: Egypt's Ministry of Agriculture and Land Reclamation's Central Administration for Plant Quarantine (CAPQ) issued the final rejection of a shipment of 33,000 metric tons of wheat from the US. The agency alleged that the shipment had levels of ergot fungus that breached international and local wheat standards. In a statement on Thursday, July 21, Agriculture Minister, Dr. Essam Fayed, said that a sample from the shipment showed 0.096 percent ergot, well in excess of the internationally accepted level of 0.05 percent. CAPQ's test results of 0.096 percent ergot contradict with the Ministry of Health's results for the same sample, which showed 0.006 percent ergot contamination, well below the permissible level. CAPQ refused a request for additional sampling in order to verify the contradicting results. The level of ergot fungus in wheat shipments has been an ongoing cause for controversy in Egypt as CAPQ was insisting on a zero-tolerance policy for ergot in wheat shipments. A new ministerial decree issued in July 2016 accepted the 0.05 percent level.

EGYPT REFUSED EU DEMANDS TO LIFT IMPORT RESTRICTIONS: Egypt has refused EU demands to lift the facility registration requirement for foreign firms exporting to Egypt. The European Union held meetings with the World Trade Organization (WTO) to discuss the negative impacts of the new policy as it restricts trade between the two parties, James Moran, EU ambassador to Egypt, told local media. However, Egypt's Minister of Trade and Industry said that the import policies introduced follow WTO regulations. He explained that the ministry informed the WTO before making the decision, and that the ministry is ready to deal with any escalations from the EU. He told reporters that Egypt has the right to take all the necessary legal actions required to protect its economy and regulate imports in the same way the EU does. The minister added that most of the factories already registered are from the EU.

CACTUS FRUIT “TEEN SHOKI” BACK ON THE STREETS OF EGYPT:



Cactus fruit, or prickly pear fruit, (*teen shoki* in Arabic) is back on the streets of Egypt. Street vendors have a special technique for peeling and putting the pears inside plastic bags. This makes it safe to buy them from carts, unlike some other food served on the streets. The price of one fruit this season is EGP 1.50 compared to EGP 1.00 last year, about US 16 cents (\$1 = EGP8.88). Total production area for this June/July fruit, all of which is for local consumption, is about 3,000 acres and produces around 30,000 tons. The fruit has high levels of antioxidants and potassium, and is a very good source of vitamin C, B1 and B2.

Agricultural Numbers

- **Egyptian Government purchased 480,000 metric tons of foreign wheat:** Ministry of Supply and Internal Trade's General Authority for Supply Commodities (GASC) purchased 480,000 metric tons of wheat from Russia, Romania and Ukraine in two tenders announced in July 2016. These are the first two global tenders announced by GASC in the new fiscal year budget and came after the end of the government's procurement of local wheat.
- **Egyptian Government plans to grow 147,000 HA of cotton in 2017:** Ministry of Agriculture and Land Reclamation announced that it plans to cultivate 147,000 HA of cotton in 2017. Only 50,000 HA were planted with cotton in 2016 while the government was expecting at least 100,000 HA to be planted.