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Egypt

Citrus

Annual

2003

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Report Highlights:

Government export subsidy program for oranges and continued devaluation of the Egyptian pound pushed orange exports to a five-year high during 2002/2003. Egyptian orange exports are expected to remain strong next year.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Cairo [EG1]
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Oranges

PSD Table

Country:

Egypt

Commodity:

Oranges

Market Year Begin	2001		2002		2003	
	Old	New 10/2001	Old	New 10/2002	Old	New 10/2003
Area Planted	88	88	88	88	0	89
Area Harvested	85	84	85	85	0	86
Bearing Trees	4505	4452	4509	4565	0	4583
Non-Bearing Trees	3855	3810	3815	3800	0	3850
TOTAL No. Of Trees	8360	8262	8324	8365	0	8433
Production	1642	1696	1725	1734	0	1742
Imports	0	0	0	0	0	0
TOTAL SUPPLY	1642	1696	1725	1734	0	1742
Exports	230	302	270	416	0	400
Fresh Dom. Consumption	1382	1359	1420	1281	0	1305
Processing	30	35	35	37	0	37
TOTAL DISTRIBUTION	1642	1696	1725	1734	0	1742

Production

Egyptian climate is well-suited for orange production. Orange production accounts for well over half the total fruit production in Egypt. Orange cultivation is concentrated in two large geographic regions: the fertile Delta area and the newly reclaimed lands. About 80 percent of Egypt's total orange production is produced by large farms (10-100 feddans) and the remaining 20 percent are produced by small farms (1-10 feddans). (One feddan = .42 hectare). Navel oranges are the predominant variety. Lesser amounts of local (baladi), sweet, valencia, and other varieties are also produced. The harvest of navel oranges begins in October and is followed by other varieties in November and December. The harvest period usually lasts for 4 to 5 months. Total orange area has been estimated at 88,000 hectares during the last couple of years. However, total orange production in 2002 increased by about 2.2 percent over the 2001 level. Average yield per hectare improved from 20.01 MT during 2000/01 to 20.04 MT/hectare in 2002/03, primarily due to the absence of strong winds which usually cause damage to fruit sets during the growing season.

Consumption

Oranges are the main fruit available in Egypt during the winter. Being a relatively inexpensive fruit, Egyptians consume large amounts of oranges, both as fresh and juice. Per capita consumption of oranges is estimated at 22 Kg per year. The orange processing industry is expanding due to the increased number of companies producing orange juice. At the present

time, there are six major orange juice processors in Egypt. Most companies depend on the baladi and summer varieties for processing. Domestic production is primarily destined for fresh consumption. Imported orange juice is also available in the market. Egyptian citrus grown in arid areas (reclaimed desert land) is characterized by low juice content, while fruit produced in the more humid regions, mainly along the Red Sea and Mediterranean coast, has much higher juice content.

Trade

The Egyptian orange export season is relatively long, extending from December to April, and this is quite favorable for the export of navel oranges. Although Egypt has excellent opportunities for expanding its orange exports due to its favorable climate and strategic geographic location, exports to the European market continue to be limited by the uneven quality of Egyptian oranges as well as by strong competition from other suppliers such as Spain, Israel, and Morocco. European countries import baladi and summer varieties, mainly for juicing, while Saudi Arabia is currently the largest market for Egyptian table oranges. Total Egyptian orange exports achieved a five-year record of 416,000 MT during 2002/03 compared to only 302,000 MT during the previous year. Most of this increase was due to the devaluation of the Egyptian pound, making them competitive with Spanish oranges, which actually compete with Egyptian oranges in the E.U market. Egyptian orange exports to Saudi Arabia, Russia and Ukraine experienced a substantial growth in 2002. During MY 2002/03, the government provided an export subsidy of \$75 per MT to orange exporters in order to increase the competitiveness of Egyptian orange exports in the international market. The export subsidy program is managed and implemented by the Ministry of Foreign Trade. This subsidy program will be reduced to \$50 per MT for the MY 2003/2004. The anticipated decrease in the export subsidy program is not expected to negatively impact exports because any loss in price competitiveness will likely be made up by continued devaluation of the pound. As a result orange exports are expected to reach 400,000 MT during MY 2003/04. The current average export price of fresh oranges is between \$300 and \$310/MT FOB about the same as during the same period last year (beginning of export season). Exporters anticipate that prices will be about \$ 250/MT FOB by the end of the 2003/2004 seasons as market supplies increase.

The EU-Egyptian Partnership Agreements which was signed in June 24, 2001 will offer tariff concessions for Egyptian orange exporters. Following the implementation of the agreement, Egypt will receive a duty-free 50,000 MT TRQ, for fresh or dried oranges (080510); 55,000 MT during the second year and 60,000 MT during the third year and beyond. The current TRQ for oranges is 8,000 MT at zero duty from December through May provided the entry price is at least EUR 266/MT. The following provision applies to Egypt's orange TRQ. Fresh sweet oranges which fall in headings 08051010, 08051030 and 08051050 can only be imported into the EU from December first to May 31 with limit of no more than 34,000 MT at an agreed entry price of EUR 264/MT. If the price for a consignment is lower than 92 percent of the agreed entry price, the specific duty bound within the WTO will apply. Export quantities above the TRQ amount will be assessed at 60 percent of EU's MFN tariff.

Egyptian exporters prefer to sell their production for cash on FOB basis in order to avoid the risk of being rejected due to SPS reasons, or being in a position to face adjusted prices due to quality factors. At the present time, there are about 20 private sector small to medium size and four large orange exporters in Egypt. According to industry experts, three major companies control about

78 percent of the export market. One public sector company is still active in the orange export market, but with declining share. According to official export data, the public sector company share in orange export in MY 2002/03 is estimated at 13 percent of the export market compared to 20 percent in MY 2001/02.

Export Trade Matrix

Country:	Egypt	Units:	MT
Commodity:	Oranges		
Time period:			
Exports for	2001	2002	
U.S.		U.S.	
Others		Others	
Saudi Arabia	148,563	Saudi Arabia	182,348
Other Arab Countries	47,546	Other 'Arab Countries	67,846
Russia	39,205	Russia	75,080
England	20,879	Ukraine	26,409
Ukraine	14,059	England	20,597
Hong Kong	9,268	E.U	23,618
Malaysia	4,296	Malaysia	5,531
Indonesia	3,854	Hong Kong	5,219
E.U	8,331	Indonesia	3,783
Singapore	1,200	Malta	3,752
Total for Others	297201		414183
Others not listed	4,826		1,889
Grand Total	302027		416072

Tangerines

PSD Table

Country:

Egypt

Commodity:

Fresh
Tangeri
nes

Market Year Begin	2001		2002		2003	
	Old	New 10/2001	Old	New 10/2002	Old	New 10/2003
Area Planted	39	39	39	40	0	40
Area Harvested	36	36	35	36	0	36
Bearing Trees	2198	2198	2150	2249	0	2250
Non-Bearing Trees	989	989	1040	1011	0	1012
TOTAL No. Of Trees	3187	3187	3190	3260	0	3262
Production	493	493	500	504	0	505
Imports	0	0	0	0	0	0
TOTAL SUPPLY	493	493	500	504	0	505
Exports	5	5	5	4	0	5
Fresh Dom. Consumption	485	485	492	495	0	498
Processing	3	3	3	5	0	2
TOTAL DISTRIBUTION	493	493	500	504	0	505

Production

The major variety of tangerine grown in Egypt is the mandarin, a local "Baladi" variety that is not a hybrid variety. Mandarins are mainly produced for the local market with limited quantities for the export market. In 2002/03, total tangerine production increased to 504,000 MT, or 2.2 percent over the 2001/2002 level. This increase is attributed mainly to the increase in the number of bearing trees in addition to the absence of strong winds during the year. The mandarin production season is shorter than the orange season. The marketing season begins in November/December but ends in February/March, about two months earlier than the orange season

Consumption

Despite the predominance of orange production, many Egyptian consumers prefer mandarins to oranges because they are easier to eat. During the 2002/03 marketing season (November-October), wholesale prices averaged L.E. 0.80 per Kg, and retail prices were around LE 1.20 per Kg. In 2002/03, total mandarin consumption increased to 495,000 MT compared to 485,000 MT in 2001/2002.

Trade

All mandarin exports are handled by the private sector. Mandarins do not require a special cleaning or waxing process. The major export market for Egyptian mandarins is the Gulf countries. During the 2002/2003 season, total Egyptian mandarins exports decreased to about 4,000 MT compared to 5,000 MT in 2001/02. The average export price for mandarins in the 2002/03 season was estimated at \$257 MT/FOB as compared to \$215 MT/FOB during the same period in 2001/02.

Fresh Citrus, Other Stocks

PSD Table

Country:

Egypt

Commodity:

Fresh
Citrus,
Other

Market Year Begin	2001		2002		2003	
	Old	New 10/2001	Old	New 10/2002	Old	New 10/2003
Area Planted	18	18	18	18	0	19
Area Harvested	16	16	16	17	0	17
Bearing Trees	770	770	775	810	0	815
Non-Bearing Trees	630	630	625	590	0	595
TOTAL No. Of Trees	1400	1400	1400	1400	0	1410
Production	352	352	355	370	0	372
Imports	0	0	0	0	0	0
TOTAL SUPPLY	352	352	355	370	0	372
Exports	18	18	19	20	0	22
Fresh Dom. Consumption	317	317	317	331	0	330
Processing	17	17	19	19	0	20
TOTAL DISTRIBUTION	352	352	355	370	0	372

Production

Sweet and sour limes and bitter oranges are the major types of other citrus produced in Egypt. Limes, known as "lamuun" in Arabic, account for most of this category. Lime trees produce throughout the year, with the greatest output occurring in the late summer months of September and October. Egyptian consumers have a strong preference for limes. Fresh sliced limes often are served with meals. A heavily sweetened fresh lime juice is also very popular, as are pickled limes which accompany many dishes.

Most of the production of bitter orange is processed into jelly and marmalade. Reliable statistical data on the production and marketing of bitter oranges is not available.

Grapefruit is another citrus fruit that is not very popular in Egypt. Most of the grapefruit grown are seedless varieties. The area currently under cultivation is estimated at approximately 220 hectares, mainly to service hotels, restaurants and other facilities that cater to the tourist industry. Unless export demand increases, grapefruits are not expected to become a significant citrus crop.