

**Required Report:** Required - Public Distribution

**Date:** April 04, 2024

**Report Number:** EG2024-0008

## **Report Name:** Oilseeds and Products Annual

**Country:** Egypt

**Post:** Cairo

**Report Category:** Oilseeds and Products

**Prepared By:** FAS/Cairo

**Approved By:** Jenny Morgan

### **Report Highlights:**

FAS/Cairo (Post) forecasts Egypt's soybean imports in marketing year (MY) 2024/25 (October – September) to increase by 14.8 percent from the previous marketing year, due to an influx of foreign currency into Egyptian banks. While the United States accounts for the majority of soybean exports to Egypt, U.S. soybeans are likely to face heavy competition from other origins due to pricing. Overall feed use of oilseed meal is also forecast to be on an upward trend driven by demand from end users. Higher levels of sunflower seed oil consumption and trade in the forecasted period will primarily be driven by competitive pricing in the global market, which has prompted both the public and private sector to increase sunflower seed oil imports. Total soybeans stock is forecast to decrease on account of an increase in crushing activity.

## **NARRATIVE**

### **Seeds**

In Egypt, domestic production of oilseeds from soybeans and sunflowers is insufficient to cover local consumption due to high production costs and market challenges. As a result, the Agriculture Research Center (ARC) of the Ministry of Agriculture and Land Reclamation (MALR) is focused on breeding new varieties to increase the yield per unit and adapt to climate change. Yield potential will depend on future growing conditions, such as heat and drought.

Post forecasts Egypt's soybean imports in MY 2024/25 at 3.1 million metric tons (MMT), up by 14.8 percent from Post's estimate in the previous marketing year. Post attributes the increase in imports to the recent influx of foreign currency into the economy and an anticipated pickup in the rate of feed consumption.

### **Meals**

Post forecasts Egypt's soymeal production in MY 2024/25 up by 28 percent from the previous marketing year due to higher domestic production, a large global supply, and higher crush margins. Based on the assumption of an anticipated growth in the poultry, aquaculture, and dairy sectors, overall feed use of oilseed meal is also forecast to be on an upward trend. Feed use of soymeal is forecast to be up by 5.5 percent compared to the previous marketing year, as soymeal is used as the major source of protein in feed rations and is extensively used due to higher availability. Similarly, the use of sunflower meal is forecast to increase, especially for large animal feed.

### **Oils**

Due to a limited local soybean and sunflower oil production available for crushing, the Government of Egypt (GOE) remains concerned about the decline in edible oil production. As a result, the GOE is seeking to boost its own production of vegetable oils through expanding the cultivation of oilseed crops to reduce imports; however, such programs will take many years to finalize.

Both soybean and sunflower oil production are forecast up due to an increase in population, higher demand, and the influx of foreign currency. In early March 2024, the agreement with the International Monetary Fund (IMF) and new investments with foreign entities helped increase the amount of foreign currency needed for inputs. Moreover, the shift to a flexible exchange rate and rising interest rates are intended to help stabilize prices and reduce inflation in the long run. As such, Post forecasts the changes in the Egyptian economy to help domestic production and encourage greater investment in the next two years.

## OILSEEDS:

### SOYBEANS

#### PRODUCTION, SUPPLY, AND DISTRIBUTION:

Oilseed, Soybean Market Year Begins  Egypt	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	12	12	10	30	0	30
Area Harvested (1000 HA)	20	20	30	30	0	0
Beginning Stocks (1000 MT)	345	345	152	152	0	346
Production (1000 MT)	56	56	85	85	0	85
MY Imports (1000 MT)	1992	1992	3100	2700	0	3100
Total Supply (1000 MT)	2393	2393	3337	2937	0	3531
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	2200	2200	2950	2550	0	3250
Food Use Dom. Cons. (1000 MT)	17	17	17	17	0	17
Feed Waste Dom. Cons. (1000 MT)	24	24	24	24	0	24
Total Dom. Cons. (1000 MT)	2241	2241	2991	2591	0	3291
Ending Stocks (1000 MT)	152	152	346	346	0	240
Total Distribution (1000 MT)	2393	2393	3337	2937	0	3531
Yield (MT/HA)	2.8	2.8	2.8333	2.8333	0	0
(1000 HA), (1000 MT), (MT/HA)						

### PRODUCTION

Post forecasts Egypt's soybean production in marketing year (MY) 2024/25 (October–September) at 85,000 metric tons (MT), similar to Post's previous marketing year estimate.

Domestic production of soybeans is mostly used in the production of full fat soybeans in feed rations for lactating cows and broiler chickens at a 2-3 percent ratio. As domestic production is anticipated to cover less than 3 percent of demand in MY 2024/25, dairy, poultry, and fish producers will continue to be reliant upon imports.

The soybean growing season runs from May to August and is mostly planted in Middle and Upper Egypt. ARC is the authority responsible for the release and marketing of certified soybean seeds of four varieties: Giza 21, Giza 22, Giza 25, and Giza 111. In the past, the GOE has announced a guarantee for a minimum purchase price to encourage farmers to plant soybeans. This purchase price is usually announced between February and June, but the price is subject to change depending on soybean prices in the international market. As of this report, MALR has yet to announce prices yet.

## CONSUMPTION

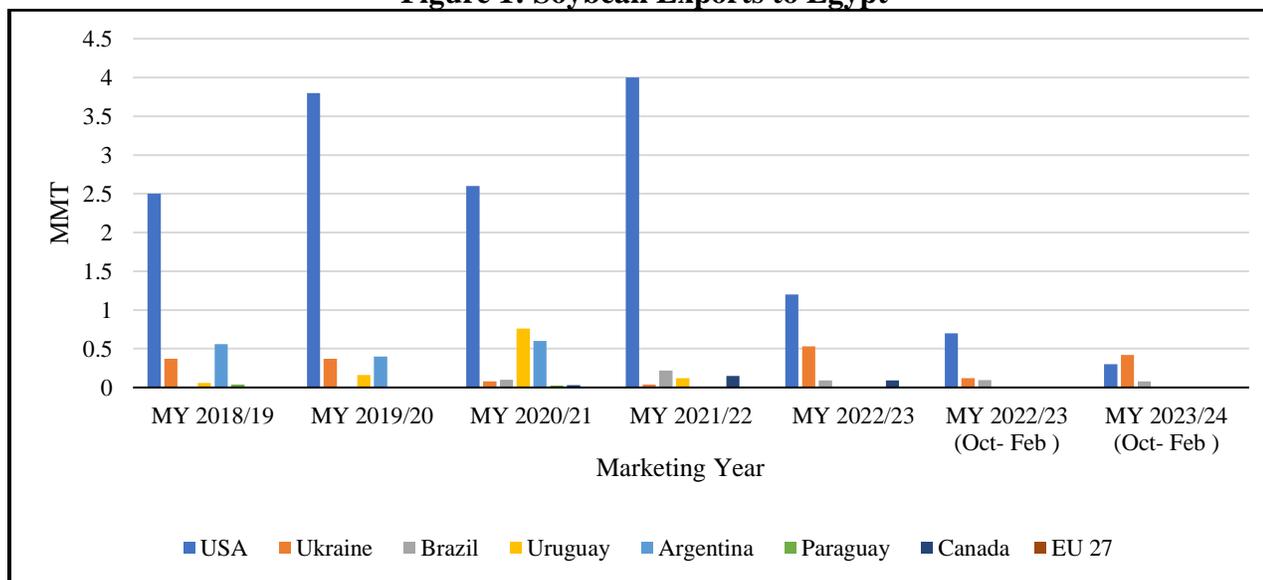
Post forecasts Egypt's soybean consumption in MY 2024/25 at approximately 3.3 MMT, due to an anticipated pick up by the crushing sector on account of an increase in imports due to the availability of more foreign currency. Egypt's domestic consumption of soybeans for food use in MY 2024/25 will remain at roughly at 17,000 MT.

Although Egypt's crushing capacity is around 9 -10 MMT, crushing facilities significantly decreased their capacity to 25-36 percent of their actual capacities from MY 2022/23 through part of MY 2023/24, due to a decrease in supply of beans amid the economic fallout from the Russian invasion of Ukraine, and a foreign currency crunch in Egypt. As a result, this drastically slowed down imports for release of commodities at the ports as a result of a lack of foreign currency in Egyptian banks.

## TRADE

Post forecasts Egypt's soybean imports in MY 2024/25 at 3.1 MMT, up by 14.8 percent from Post's estimate in the pervious marketing year. This increase is due to the recent influx of foreign currency into the economy needed for imports, as well as an anticipated increase in the rate of feed consumption. Between MY 2018/19 and MY 2023/24, Egypt imported roughly 19.6 MMT of soybeans. Throughout that period, Egypt's main suppliers were the United States (14.6 MMT), Argentina (1.5 MMT), Ukraine (1.8 MMT) and Uruguay (1.1 MT) (see Figure 1).

**Figure 1: Soybean Exports to Egypt**

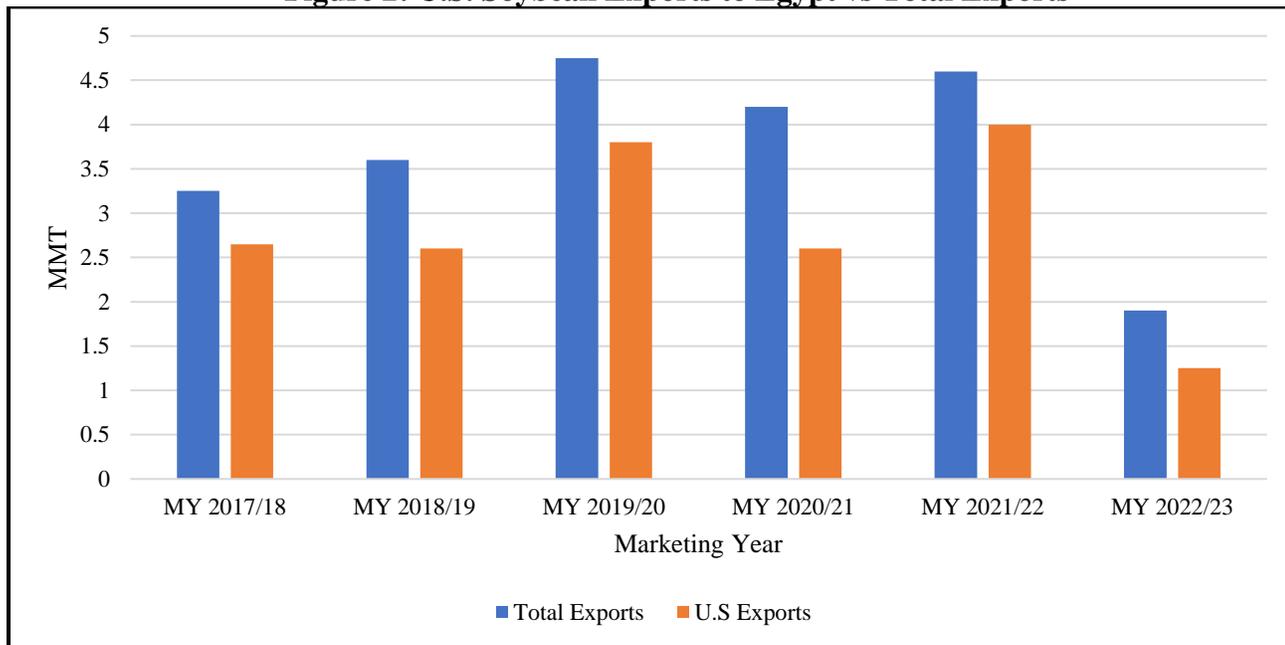


Source: Trade Data Monitor LLC. & FAS Cairo Research

Egypt is the largest importer of soybeans in the Middle East and North Africa and incorporates soybean meal into feed rations for poultry, dairy cows, and aquaculture. U.S.-origin soybean exports to Egypt accounted for 74.5 percent of the total soybeans exported to Egypt between MY 2018/19 to MY 2022/23 (see Figure 2). In general, Egyptian traders and crushers demand sustainability and quality of supply,

both of which are key features of U.S.-origin soybeans. As such, industry sources report that meals produced from U.S.-origin soybeans show better uniformity, less fiber, and higher protein content than that of other origins. Although U.S. soybeans are preferred by the Egyptian industry, U.S. soybeans are likely to face heavy competition from other origins during the current and forecasted marketing year due to pricing.

**Figure 2: U.S. Soybean Exports to Egypt vs Total Exports**



Source: Trade Data Monitor LLC. & FAS Cairo Research

## STOCKS

Posts forecasts MY 2024/25 soybean stocks at 240,000 MT less by 30.6 percent than the previous marketing year due to a forecasted increase in the crush of beans for MY 2024/25 by 27.4 percent than MY 2023/24. Carrying stock levels are mainly held by private industry and private traders.

## SUNFLOWER SEEDS

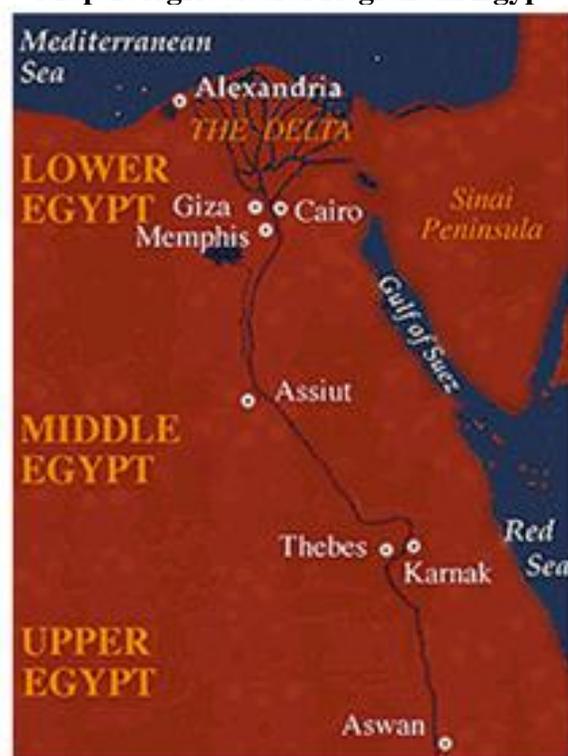
### PRODUCTION, SUPPLY AND DISTRIBUTION:

Oilseed, Sunflower Seed Market Year Begins  Egypt	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	15	15	20	20	0	20
Area Harvested (1000 HA)	15	15	20	20	0	20
Beginning Stocks (1000 MT)	10	10	4	4	0	7
Production (1000 MT)	38	38	50	50	0	50
MY Imports (1000 MT)	15	15	40	40	0	45
Total Supply (1000 MT)	63	63	94	94	0	102
MY Exports (1000 MT)	10	10	3	3	0	3
Crush (1000 MT)	40	40	75	75	0	80
Food Use Dom. Cons. (1000 MT)	9	9	9	9	0	10
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	49	49	84	84	0	90
Ending Stocks (1000 MT)	4	4	7	7	0	9
Total Distribution (1000 MT)	63	63	94	94	0	102
Yield (MT/HA)	2.5333	2.5333	2.5	2.5	0	2.5
(1000 HA), (1000 MT), (MT/HA)						

### PRODUCTION

Post forecasts Egypt's sunflower seed production for MY 2024/25 (October–September) at 50,000 MT. In order to maintain production and increase cultivation, a price guarantee contract is implemented between growers and stakeholders, as well as an increased distribution of certified sunflower seeds to growers. Sunflower seeds (primarily varieties Sakha 53 and Giza 102) are planted throughout the Delta region (northern Egypt) in May, as well as Middle and Upper Egypt, but usually begin in June (see Map 1).

**Map 1: Agricultural Regions in Egypt**



*Source: Map of the Three Egyptian Zones, Odyssey Online, Emory University*

## **CONSUMPTION**

Post forecasts Egypt's sunflower seed consumption in MY 2024/25 at 90,000 MT, due to an increase in crushing activity. Imported sunflower seeds are either processed by the private sector to extract sunflower seed oil or used for food consumption. Domestic sunflower seeds are primarily crushed by small local crushers close to their production areas in Middle and Upper Egypt.

Post forecasts Egypt's consumption of sunflower seeds for food use in MY 2024/25 at 10,000 MT, up by 1,000 MT from the previous marketing year due to an increased awareness among urban consumers of the health benefits and affordability of sunflower seeds as a snack food. Sunflower seeds are roasted, seasoned, and sold in-shell.

## **TRADE**

Post forecasts Egypt's sunflower seed imports in MY 2024/25 at 45,000 MT, up by 5,000 MT from the previous marketing year due to an anticipated increase in crushing activity. During the past five marketing years, China has been the leading supplier of sunflower seeds to Egypt and is not forecast to change in the near term.

## STOCKS

Posts forecasts MY 2024/25 sunflower seed stocks at 9,000 MT, up by 2,000 MT from the previous marketing year due to an increase in supply driven by forecasted increase in imports. Carrying stock levels are mainly held by private traders.

## MEALS:

### SOYBEAN MEAL

#### PRODUCTION, SUPPLY AND DISTRIBUTION:

Meal, Soybean Market Year Begins  Egypt	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2200	2200	2950	2500	0	3200
Extr. Rate, 999.9999 (PERCENT)	0.7895	0.7895	0.7902	0.79	0	0.79
Beginning Stocks (1000 MT)	500	500	324	324	0	322
Production (1000 MT)	1737	1737	2331	1975	0	2528
MY Imports (1000 MT)	892	892	725	725	0	200
Total Supply (1000 MT)	3129	3129	3380	3024	0	3050
MY Exports (1000 MT)	5	5	2	2	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	2800	2800	3050	2700	0	2850
Total Dom. Cons. (1000 MT)	2800	2800	3050	2700	0	2850
Ending Stocks (1000 MT)	324	324	328	322	0	200
Total Distribution (1000 MT)	3129	3129	3380	3024	0	3050
(1000 MT), (PERCENT)						

## PRODUCTION

Post forecasts Egypt's soybean meal production in MY 2024/25 at 2.5 MMT, up by 28 percent due to an anticipated increase in crushing activity driven by an increase in soybean imports.

Marketing year 2023/24 soybean meal production is revised downward to 1.97 MMT from USDA's official estimate of 2.3 MMT, or down by 18 percent due to a decrease in imports, hence a decrease in the crushing of beans. The foreign currency crunch in Egypt during the first quarter of the marketing year was significant, thus impacting the estimated volume of imported beans used for crushing and meal production.

Before October of 2022, the Egyptian poultry sector produced 1.4 billion birds annually and 14 billion eggs; however, after the start of the economic crisis, production was reduced by 40 percent which primarily affected small and medium size businesses.

As a result, many paused their operations due to rising costs of production. Industry reports that although the economy is set to improve since the influx of foreign currency, operations may not normalize until 2025 or even early 2026.

## CONSUMPTION

Post forecasts Egypt's soybean meal consumption in MY 2024/25 at 2.85 MMT, up by 5.5 percent from the previous marketing year due to a projected increase in feed demand by the poultry, large animal, and aquaculture sectors. Post forecasts a sustainable supply of feed and feed raw materials in MY 2024/25 as well as a stability in prices due to the influx of foreign currency, and the floating of the Egyptian pound which is set to stabilize in the mid to long term.

During MY 2022/23 and first quarter of MY 2023/24, prices for soybean meal (a major feed ingredient in poultry feed) and aquafeed increased by more than 300 percent due to the lack of forex to import feed raw materials. As a result, the cost of production and the price of chickens and fish in the domestic market increased. Hence, MY 2023/24 soybean meal consumption was lowered to 2.7 MMT.

Poultry Sector: Egypt has 180 poultry feed mills producing various types of feed formulations for the poultry industry which supply over 95 percent of the domestic market's demand. These poultry feed mills produce poultry feed-mix consisting of 70 percent yellow corn, 20 percent soybean meal, 3.4 percent wheat bran, and 1.9 percent broiler concentrates (fish or meat meals), in addition to minerals and vitamins.

Post anticipates feed consumption for poultry to grow by almost 2.5 percent in MY 2024/25, due to several factors. First of all, broiler consumption is forecast to rebound due the stability of feed prices (of which accounts for 75 percent of total poultry production), an increase in supply, improved veterinary treatments (leading to better poultry disease management), and enhanced production capabilities.

Secondly, vertical integration is set to increase as the market sees mass consolidation over the next few years. For example, Mitsui & Co., Ltd. made an agreement with Wadi Poultry to increase vertical integration for broiler production and processing, processed food manufacturing, the sale and distribution of these products, and the procurement of feed grain.<sup>1</sup> "Cairo 3A" has also made plans to expand in the field of grandparent production, and also announced the opening of a new factory to produce poultry products, with an initial production capacity of 9,000 MT annually, set to reach 25,000 MT after three years.<sup>2</sup>

Aquaculture Sector: For aquaculture, major dietary energy sources contain 30-40 percent soybean meal, as well as 20-25 percent yellow corn, 20-30 percent wheat bran, 10-25 percent rice bran, and 1-5 percent vegetable oils. This feed mix formulation depends on the protein and energy contents of the feed, as well as the availability and price of the ingredients, including fish species and their sizes.

The Egyptian aquaculture feed industry has 73 privately owned feed mills, providing 90 percent of aquaculture feed. Production is shifting away from conventionally pelleted feeds to extruded feeds,

<sup>1</sup> [https://www.mitsui.com/jp/en/release/2023/1247769\\_13943.html](https://www.mitsui.com/jp/en/release/2023/1247769_13943.html)

<sup>2</sup> [amwalalghad.com](http://amwalalghad.com) (الغد أموال | طن ألف 18 إلى الدواجن مصنعات من إنتاجها لرفع تخطط «إيه ثري كايرو»)

which now accounts for 65-70 percent of the aquaculture feed in the market. As the market for extruded feeds is growing, there are several extruded feed industry projects underway. Most of these projects are for tilapia, but there is commitment to produce aquaculture feed as well for carp, catfish, sea bream, sea bass, and shrimp. About 85 percent of marine fish feed is formulated locally to contain 25 percent crude protein, combined with 5-22 percent fishmeal.

**Dairy Sector:** Egypt’s production of dairy has decreased from 7 million tons annually, to 6 million tons during the past two years, due to inflated costs of production and a decrease in consumer spending over dairy products. By 2030, MALR plans to increase milk production to 8.5 MMT through advanced genetics programs, improved veterinary services and by reducing the costs of production. Moreover, the recent influx of foreign currency into the economy, as well as a flexible exchange rate will help support the ability of Egyptian dairy producers to source the necessary raw materials needed for their production.

**TRADE**

Post is revising MY 2023/24 imports of soybean meal up from 250,000 MT to 725,000 MT as a result of a decline in soybean imports. For MY 2024/25, Post forecasts Egypt’s soybean meal imports in MY 2024/25 at 200,000 MT, down by 72.4 percent from updated MY 2023/24 imports of 725,000 MT due to projected increased local production in MY 2024/25. Meal imports were constrained during the first quarter of MY 2023/24 due to forex issues but expected to rebound (see Figure 3).

Until MY 2019/20, Argentina was the major supplier of soybean meal to the Egyptian market with a total of almost 4.9 MMT over five years. In MY 2022/23, Egypt started to diversify their import origins of soybean meal to countries such as Turkey, Brazil and the European Union (EU) as a result of competitive prices and shipping due to close proximity.

**Figure 3: Soybean Meal Exports to Egypt (MY 2018/19-MY 2023/24)**



Source: Trade Data Monitor LLC. & FAS Cairo Research

## STOCKS

Posts forecasts MY 2024/25 soybean meal stocks at 200,000 MT, less by 37.8 percent than the previous marketing year. The forecasted decrease is due to a forecasted increase in meal consumption for MY 2024/25 by 5.5 percent. Carrying stock levels of soy meal are held by private feed millers and private traders.

## SUNFLOWER SEED MEAL

### PRODUCTION, SUPPLY AND DISTRIBUTION:

Meal, Sunflower Seed Market Year Begins  Egypt	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	40	40	75	75	0	80
Extr. Rate, 999.9999 (PERCENT)	0.55	0.55	0.5333	0.5333	0	0.5375
Beginning Stocks (1000 MT)	18	18	15	15	0	20
Production (1000 MT)	22	22	40	40	0	43
MY Imports (1000 MT)	135	135	115	115	0	120
Total Supply (1000 MT)	175	175	170	170	0	183
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	160	160	150	150	0	160
Total Dom. Cons. (1000 MT)	160	160	150	150	0	160
Ending Stocks (1000 MT)	15	15	20	20	0	23
Total Distribution (1000 MT)	175	175	170	170	0	183
(1000 MT), (PERCENT)						

## PRODUCTION

Post forecasts a slight increase in Egypt's sunflower seed meal production for MY 2024/25 at 43,000 MT due to an anticipated uptick in crushing.

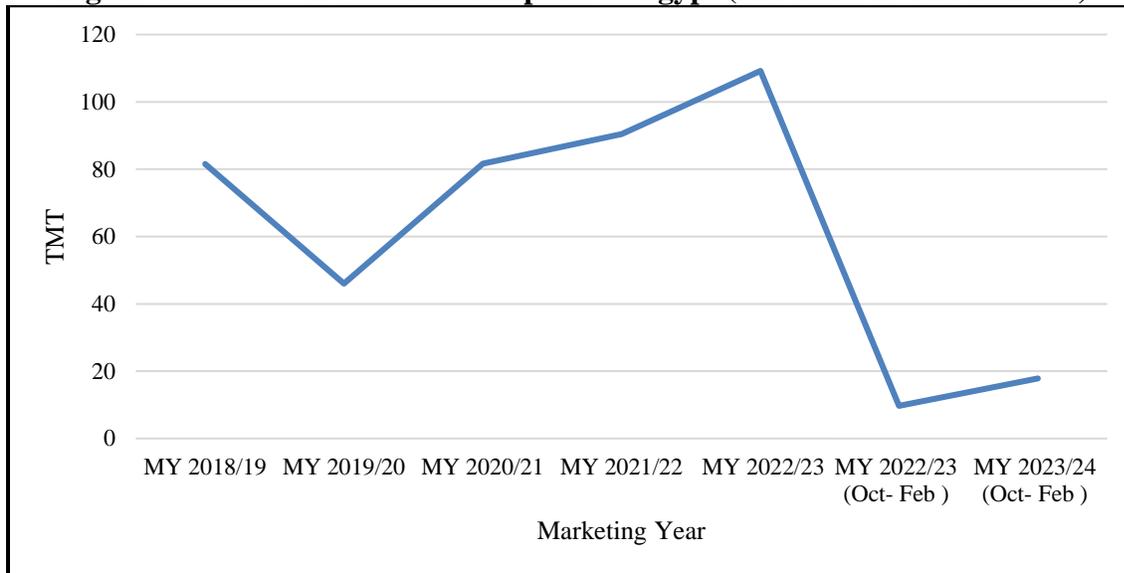
## CONSUMPTION

Post forecasts Egypt's sunflower meal consumption in MY 2024/25 at 160,000 MT, slightly up from last year's estimate due to the availability of forex needed for imports for cattle growers who use sunflower seed meal in feed rations to reduce costs.

## TRADE

Post forecasts Egypt's imports of sunflower seed meal in MY 2024/25 at 120,000 MT as the availability of forex will make it easier to increase imports in the forecasted marketing year. Sunflower seed meal exports to Egypt during MY 2023/24 (October-February) versus MY 2022/23 (October-February) were higher due to competitively cheaper sunflower seed meal this year (see Figure 4).

**Figure 4: Sunflower Seed Meal Exports to Egypt (MY 2018/19-MY 2023/24)**



Source: Trade Data Monitor LLC. & FAS Cairo Research

## STOCKS

Posts forecasts MY 2024/25 sunflower meal stock at 23,000 MT, up by 3,000 MT from the previous marketing year. The increase is due to increased supply driven by forecasted higher imports. Carrying stock levels of sunflower meal are held by private feed millers and cattle growers.

## OILS:

### OVERVIEW

### THE FOOD SUBSIDY PROGRAM

Roughly 64 million Egyptians are reliant upon food subsidies delivered by the GOE, known as credits on SMART cards; these credits are redeemable monthly for food staples. The food subsidy program offers beneficiaries a choice of discounted food items (i.e., supply commodities such as rice, beef, and chicken, etc.). For example, all SMART card beneficiaries are entitled to 1.0 liters of blended vegetable oil. A network of 1,300 state-owned consumer outlets managed by the Ministry of Supply and Internal Trade's (MOSIT) Holding Company for Food Industries (HCFI) accept SMART cards, as well as

40,000, private grocery stores. The subsidy program in CY 2024 provides cash allowances of EGP 50 (\$1.06) per beneficiary.<sup>3</sup>

As the production of both oilseeds and oils in Egypt are insignificant for domestic needs, the GOE imports oil through tenders held by the General Authority for Supply Commodities (GASC) which is the sole government entity responsible for purchases of oils. Other vegetable oil purchases occur through local private crushers or multinationals via tenders, which are refined in government-affiliated refineries or on a contract basis with private-sector.

### Consumption, Oils – Soybean, Sunflower Seed, and Palm

Post forecasts Egypt’s soybean, sunflower, and palm oil consumption for food and industrial use in MY 2024/25 at almost 2.66 MMT, up 3.9 percent from the previous marketing year volume of 2.56 MMT.

### Trade, Oils – Soybean, Sunflower Seed, and Palm

Post forecasts Egypt’s soybean, sunflower, and palm oil imports in MY 2024/25 at 2.08 MMT, slightly down from 2023/24 imports estimated at 2.1 MMT.

### TARIFFS:

Egypt does not impose import tariffs on soybeans, sunflower seed, linseed, palm kernel, and sesame seed. Duties on oilseed meal and cake are 5 percent; bulk and refined soybean and sunflower oil are 2 percent; crude cottonseed and palm oil duties are zero.

### SOYBEAN OIL

#### PRODUCTION, SUPPLY AND DISTRIBUTION:

Oil, Soybean Market Year Begins  Egypt	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Crush</b> (1000 MT)	2200	2200	2950	2550	0	3250
<b>Extr. Rate, 999.9999</b> (PERCENT)	0.2173	0.2173	0.1986	0.1922	0	0.1938
<b>Beginning Stocks</b> (1000 MT)	49	49	15	15	0	20
<b>Production</b> (1000 MT)	478	478	586	490	0	630
<b>MY Imports</b> (1000 MT)	198	198	235	235	0	180
<b>Total Supply</b> (1000 MT)	725	725	836	740	0	830
<b>MY Exports</b> (1000 MT)	50	50	20	20	0	50
<b>Industrial Dom. Cons.</b> (1000 MT)	10	10	10	10	0	10
<b>Food Use Dom. Cons.</b> (1000 MT)	650	650	775	690	0	740
<b>Feed Waste Dom. Cons.</b> (1000 MT)	0	0	0	0	0	0

<sup>3</sup> Exchange rate as of April 1, 2024

<b>Total Dom. Cons.</b> (1000 MT)	660	660	785	700	0	750
<b>Ending Stocks</b> (1000 MT)	15	15	31	20	0	30
<b>Total Distribution</b> (1000 MT)	725	725	836	740	0	830
(1000 MT), (PERCENT)						

## PRODUCTION

Post forecasts Egypt’s soybean oil production in MY 2024/25 at 630,000 MT, up by 28.5 percent from Post’s production estimate in MY 2023/24, as a result of higher crushing activity for soybean oil production.

Post’s estimate of soybean oil production in MY 2023/24 was revised downward from USDA official estimate by 16.3 percent due to less beans imported for crushing.

## CONSUMPTION

Post forecasts soybean oil consumption to reach about 750,000 MT in MY 2024/25 due to increased production from domestic crushing. Egyptian consumers prefer blended oils for frying, and as a result, the GOE blends soybean and sunflower seed oils for the food subsidy program, which also allows the GOE to save money as blended oils are cheaper than pure oils.

## TRADE

Post forecasts Egypt’s soybean oil imports in MY 2024/25 at 180,000 MT, as higher local production is expected to offset imports. Although MY 2023/24 (October-March) soybean oil imports were slow due to higher prices in the global market compared to sunflower or palm oil, more soybean oil imports are forecast for the rest of the marketing year (see Figure 5).

**Figure 5: Soybean Oil Exports to Egypt (MY 2018/19-MY 2023/24)**



Source: FAS Cairo Research

## STOCKS

Post forecasts soy oil ending stocks in MY 2024/25 at 30,000 MT, 50 percent higher than Post's estimate in the previous marketing year. The increase is due to a higher production of soy oil amid forecasted increase in the crush of beans. Carrying soy oil stock levels are held by both public and private sectors, but the private sector has a larger share.

## SUNFLOWER SEED OIL

### PRODUCTION, SUPPLY AND DISTRIBUTION:

Oil, Sunflower Seed Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Egypt						
Crush (1000 MT)	40	40	75	75	0	80
Extr. Rate, 999.9999 (PERCENT)	0.425	0.425	0.4267	0.4267	0	0.4375
Beginning Stocks (1000 MT)	94	94	51	51	0	73
Production (1000 MT)	17	17	32	32	0	35
MY Imports (1000 MT)	350	350	350	700	0	700
Total Supply (1000 MT)	461	461	433	783	0	808
MY Exports (1000 MT)	50	50	10	10	0	10
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	360	360	350	700	0	720
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	360	360	350	700	0	720
Ending Stocks (1000 MT)	51	51	73	73	0	78
Total Distribution (1000 MT)	461	461	433	783	0	808
(1000 MT), (PERCENT)						

## PRODUCTION

Post forecasts Egypt's sunflower seed oil production in MY 2024/25 at 35,000 MT as a result of higher crushing activity.

## CONSUMPTION

Post forecasts Egypt's sunflower seed oil consumption in MY 2024/25 at 720,000 MT, up by 20,000 MT from Post's estimate of 700,000 MT in MY 2023/24 due to population increase and anticipated higher sunflower seed oil consumption driven by an increased preference for middle and higher-income consumers in urban areas.

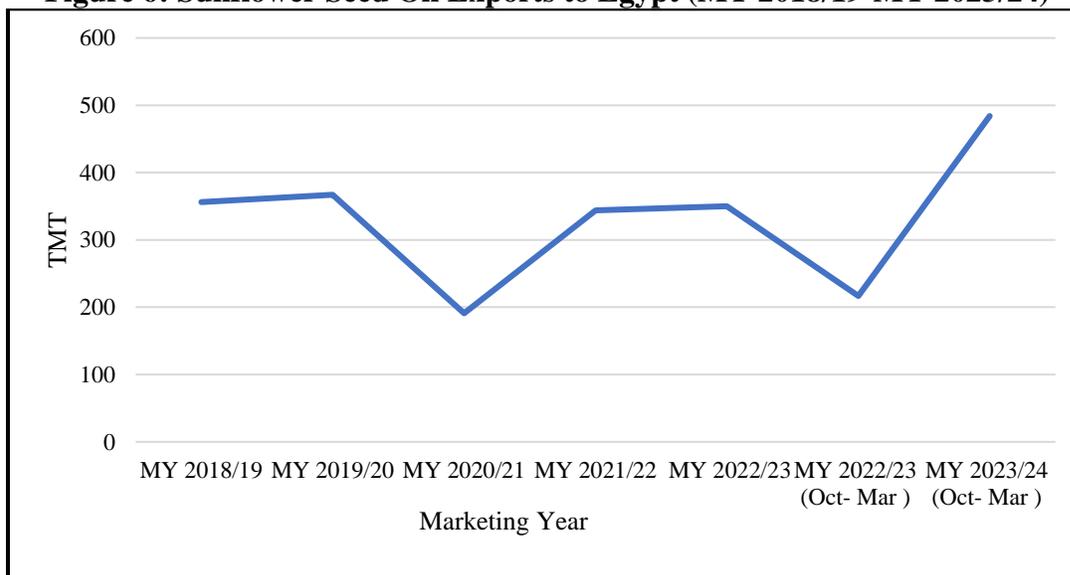
Post is revising upward its consumption estimate of sunflower seed oil in MY 2023/24 to 700,000 MT from USDA official estimate of 350,000 MT. Higher levels of sunflower seed oil consumption in MY 2023/2024 is mainly driven by competitive pricing in the global market which prompted both public and private sector to import significant volumes of sunflower seed oil for refining and blending with other oils.

## TRADE

Post forecasts Egypt’s sunflower seed oil imports in MY 2024/25 at 700,000 MT, driven by possible competitive pricing and higher use in blending with soybean oil for Egypt’s subsidy program.

Post is revising upward its trade estimate of sunflower seed oil for MY 2023/24 to 700,000 MT from USDA official estimate of 350,000 MT. As Russia and Ukraine took advantage of their currencies depreciating and increased their exports significantly to the Egyptian market, they were able to offer sunflower seed oil cheaper than soybean oil and with a slight premium over palm oil. During MY 2023/24 (October-March), sunflower seed oil exports to Egypt amounted to 483,828 MT compared to 217,406 MT during the same period in the previous marketing year as were higher during MY 2022/23 (see Figure 6).

**Figure 6: Sunflower Seed Oil Exports to Egypt (MY 2018/19-MY 2023/24)**



Source: FAS Cairo Research

## STOCKS

Post forecasts sunflower seed oil ending stocks in MY 2024/25 at 78,000 MT, up by 5,000 MT from Post’s estimate in the previous marketing year. The increase in sunflower seed oil stock is due to a forecasted higher supply driven by an increase in imports. Carrying sunflower seed oil stock levels are held by both public and private sectors, but the private sector has a larger share.

## PALM OIL

### PRODUCTION, SUPPLY AND DISTRIBUTION:

Oil, Palm Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	0	0	0	0	0	0
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	136	136	123	123	0	133
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1052	1052	1175	1175	0	1200
Total Supply (1000 MT)	1188	1188	1298	1298	0	1333
MY Exports (1000 MT)	5	5	5	5	0	5
Industrial Dom. Cons. (1000 MT)	60	60	60	60	0	60
Food Use Dom. Cons. (1000 MT)	1000	1000	1100	1100	0	1130
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1060	1060	1160	1160	0	1190
Ending Stocks (1000 MT)	123	123	133	133	0	138
Total Distribution (1000 MT)	1188	1188	1298	1298	0	1333
Yield (MT/HA)	0	0	0	0	0	0

(1000 HA), (1000 TREES), (1000 MT), (MT/HA)

## PRODUCTION

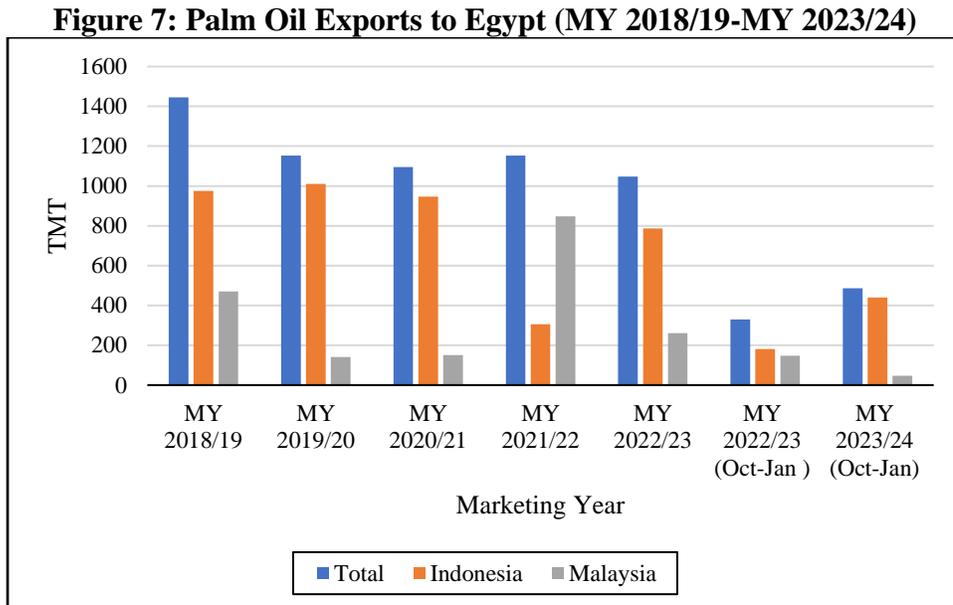
Egypt does not commercially cultivate oil palms, nor does it produce any palm oil.

## CONSUMPTION

Post forecasts Egypt's palm oil consumption in MY 2024/25 (October-September) up at 1.19 MMT attributed to the growth in population and high use of palm oil in food production. Post estimates that 94 percent of palm oil goes to food production, of which vegetable shortenings account for 40 percent of the total. Restaurants, catering, and fast-food chains utilize shortening extensively. Production of vegetable ghee accounts for 50 percent of palm oil use, and margarine accounts for 3 percent of use (mainly by private bakeries and patisseries).

## TRADE

Post forecasts Egypt's imports of palm oil in MY 2024/25 at 1.2 MMT, slightly up from Post's estimate in the previous marketing year, driven by an estimated 2 percent growth in the food processing sector (which is the major consumer of palm oil). Egypt sources palm oil from two major producing countries—Indonesia and Malaysia (see Figure 7).



Source: Trade Data Monitor LLC. & FAS Cairo Research

## STOCKS

Post forecast palm oil ending stocks in MY 2024/25 at 138,000 MT, and up by 5,000 MT from the previous marketing year. The increase in palm oil stocks is due to a forecasted higher supply driven by an increase in imports. Carrying palm oil stock levels are mainly held by the private oil industry.

**Attachments:**

No Attachments