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Prepared By: Mariano J. Beillard, Senior Regional Agricultural Attaché and Shaza Omar, Senior Agricultural Specialist

Approved By: Mariano Beillard, Senior Regional Agricultural Attaché

Report Highlights:

FAS Cairo forecasts Egypt's production (calf crop) in market year (MY) 2021 (January-December) at 1.94 million head, unchanged from the U.S. Department of Agriculture's (USDA) official MY 2020 estimate. Total supply in MY 2021 will reach 9.99 million animals, increasing by 125,000 head or over one percent above the USDA's official MY 2020 figure of 9.86 million. Egypt's live cattle imports in MY 2021 are forecast at 200,000 head, down by 80,000 animals or 29 percent less than the USDA's official MY 2020 figure of 280,000 head. The drop is attributed to the November 2019 through March 2020 suspension of Sudanese live cattle for slaughter imports due to the outbreak of Rift Valley fever in Sudan, as well as to less Brazil-origin animals available for export due to increased beef demand from China. Domestic beef consumption in MY 2021 is forecast at 675,000 metric tons (MT), up by 2.5 percent or 18,000 MT above the USDA's official MY 2020 estimate of 657,000 MT due to natural population growth.

EXECUTIVE SUMMARY

FAS Cairo forecasts Egypt's production (calf crop) in market year (MY) 2021 (January-December) at 1.94 million head, unchanged from the U.S. Department of Agriculture's (USDA) official MY 2020 number. Total supply in MY 2021 is forecast at 9.99 million animals, increasing by 125,000 head or slightly over one percent above the USDA's official MY 2020 figure of 9.86 million.

Egypt's national herd is largely composed of bovine dairy cattle (*Bos taurus*) and domestic water buffalo (*Bubalus bubalis*), split in a ratio of 55 to 45 percent. The Ministry of Agriculture and Land Reclamation (MALR) released in 2016, Egypt's most recent national herd number. It reported then approximately 8.5 million animals (i.e., 4.7 million head of dairy cattle and 3.8 million head of water buffalo), including calf production numbers. The ministry has yet to release any revised figures.

Cattle production input costs are high despite the government authorizing in 2018 an additional 400,000 hectares for yellow (feed) corn production. To lower cattle production costs, the government aims to increase feed corn yields to 12 metric tons (MT) per hectare by 2030. Feed costs per animal are Egyptian pounds (EGP) 45.00 (\$2.82) to EGP 60.00 (\$3.76) per day making it burdensome for the small-scale producer (FOREX EGP 15.98 to USD \$1.00). Water availability is also posing production challenges. The government seeks herd growth to increase domestic beef production, increase carcass weight, and help stabilize market prices.

FAS Cairo forecasts Egypt's live cattle imports in MY 2021 at 200,000 head, down by 80,000 animals or about 29 percent less than the USDA's official MY 2020 figure of 280,000 head. Post attributes the drop to Egypt suspending Sudanese live cattle imports from November 2019 to March 2020 due to the outbreak of Rift Valley fever in Sudan. There also has been a drop in live cattle imports from Brazil, as that country proceeds to slaughter and process more of its animals for beef for export to China.

FAS Cairo forecasts beef production in MY 2021 to reach about 375,000 MT, up by two percent or 8,000 MT above the USDA's official MY 2020 estimate of 367,000 metric tons. Post attributes the increase to growing consumer demand as inflation stabilizes and the Egyptian population grows 2.3 percent per annum (Central Intelligence Agency, July 2020 estimate).

FAS Cairo forecasts Egypt's domestic beef consumption in MY 2021 to reach about 675,000 MT, up by 2.5 percent or 18,000 MT above the USDA's official MY 2020 estimate of 657,000 metric tons. This slight increase in forecasted MY 2021 domestic beef consumption levels is largely due to the Egyptian population growing, which is adding over 2 million consumers yearly. Post is revising downwards its MY 2020 domestic beef consumption estimate and adopts the USDA's official figure of 657,000 metric tons.

Egypt's total beef imports in MY 2021 are forecast at 300,000 MT, up over three percent, or 10,000 MT greater than the USDA's official MY 2020 estimate of 290,000 metric tons.

Following the Egyptian pound's November 2016 devaluation, several private sector importers left the market. Government ministries such as the Ministries of Supply and Internal Trade, Agriculture and Land Reclamation, and of Defense, have become Egypt's largest importers of live cattle and frozen beef and varietal meats (i.e., livers, hearts, and kidneys). These ministries today are the largest players in the live cattle and beef markets, driving down the cost of beef, and especially of imported beef.

CATTLE:

Production, Supply and Demand Data Statistics:

Animal Numbers, Cattle	2019		2020		2021	
Market Begin Year	Jan 2019		Jan 2020		Jan 2021	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stocks	7,485	7,485	7,645	7,645		7,850
Dairy Cows Beg. Stocks	4,410	4,410	4,480	4,480		4,500
Beef Cows Beg. Stocks	0	0	0	0		0
Production (Calf Crop)	1,940	1,940	1,940	1,940		1,940
Total Imports	340	340	280	280		200
Total Supply	9,765	9,765	9,865	9,865		9,990
Total Exports	0	0	0	0		0
Cow Slaughter	750	750	740	740		750
Calf Slaughter	50	50	50	50		50
Other Slaughter	1,020	1,020	975	975		990
Total Slaughter	1,820	1,820	1,765	1,765		1,790
Loss	300	300	250	250		200
Ending Inventories	7,645	7,645	7,850	7,850		8,000
Total Distribution	9,765	9,765	9,865	9,865		9,990
(1,000 HEAD)						

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

PRODUCTION

FAS Cairo forecasts Egypt’s production (calf crop) in market year (MY) 2021 (January-December) at 1.94 million head, unchanged from the U.S. Department of Agriculture’s (USDA) official MY 2020 number. Total supply in MY 2021 will reach 9.99 million animals, increasing by 125,000 head or slightly over one percent above the USDA’s official MY 2020 figure of 9.86 million.

Egypt’s national herd is largely composed of bovine dairy cattle (*Bos taurus*) and domestic water buffalo (*Bubalus bubalis*), split in a ratio of 55 to 45 percent. The [Ministry of Agriculture and Land Reclamation](#) (MALR) released in 2016, Egypt’s most recent national herd number. Reporting then approximately 8.5 million animals (i.e., 4.7 million head of dairy cattle and 3.8 million head of water buffalo), including calf production numbers (see [GAIN EGYPT – Egypt Livestock Products Annual 2017: Strengthening Egyptian Pound to Ease Beef Prices, Consumption and Imports to Rise in 2018](#)). The ministry has not released any new revised figures. There is also no reliable data as to the presence and utilization of dual-purpose animals in Egypt; beyond anecdotal observations of mixed breed animals used for both milk and beef production.

FAS Cairo forecasts Egypt’s cattle total slaughter in MY 2021 at 1.79 million head, up by 1.5 percent or increasing by 25,000 animals compared to the USDA’s official MY 2020 estimate of 1.76 million head. Post attributes the increase to additional cows available for slaughter due to improvements in animal welfare. Better care is reducing Egypt’s animal loss rate. Although 200,000 animals will be lost due to disease in MY 2021, this amount is down 20 percent from MY 2020’s losses of 250,000 head.

The Ministry of Agriculture and Land Reclamation reports a drop in animal deaths from foot-and-mouth (FMD) disease. Its current vaccination campaign, launched in December 2019, is preventively controlling potential FMD outbreaks (3 million head vaccinated between December 2019 and April 2020). The last reported disease occurrence, affecting production was in 2018, when the Egyptian government announced an outbreak of lumpy skin disease (LSD) and losses of 265,000 head.

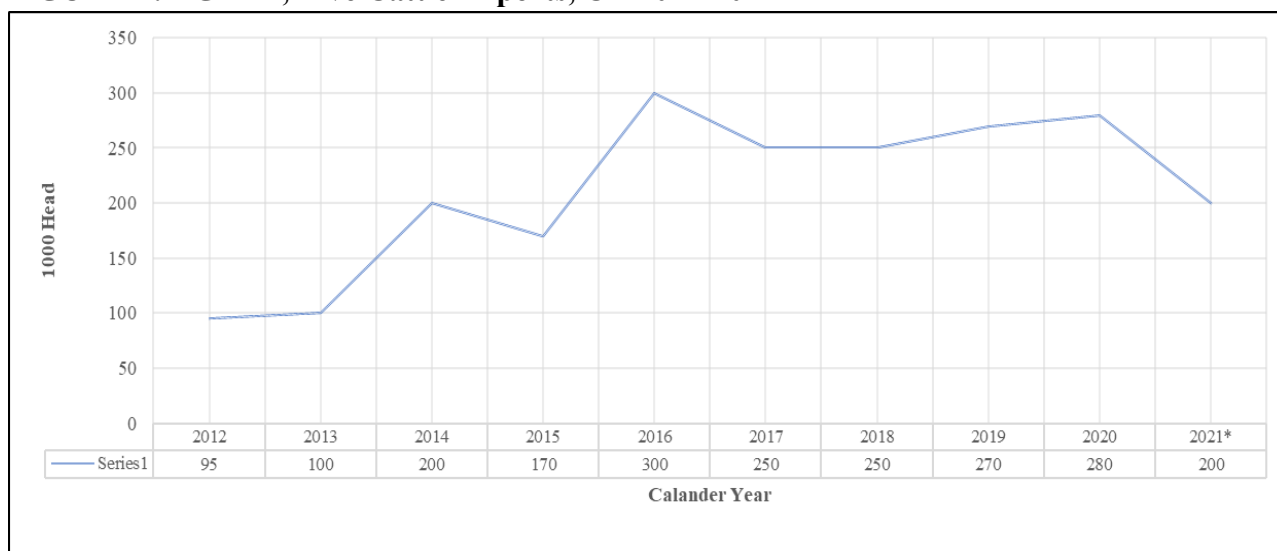
Since December 2019, the ministry has carried out a preventative vaccination campaign for Rift Valley fever (RVF). The disease reportedly has not made its way into Egypt in 2019-2020. To limit the spread of RVF into Egypt, there has been an increase in the slaughter of Sudanese live cattle (starting in December 2019) and processing for its beef south of the Egypt-Sudan border.

Cattle production input costs are high despite the Egyptian government adopting measures to lower costs. The government authorized in 2018 the planting of an additional 400,000 hectares for yellow corn for cattle feed. To support production, the MALR purchases local feed corn at fixed times during the year and at set prices. To lower cattle production costs, the MALR aims to increase feed corn yields to 12 metric tons (MT) per hectare by 2030. Feed costs per animal are Egyptian pounds (EGP) 45.00 (\$2.82) to EGP 60.00 (\$3.76) per day making it burdensome for the small-scale producer (FOREX EGP 15.98 to USD \$1.00). Water availability also poses production challenges. The government seeks herd growth to increase domestic beef production, increase carcass weight, and stabilize market prices.

TRADE

Imports: FAS Cairo forecasts Egypt's live cattle imports in MY 2021 at 200,000 head, 80,000 animals less, or 29 percent lower, than the USDA's official MY 2020 figure of 280,000 head. Post attributes the drop to Egypt suspending from November 2019 through March 2020 imports of Sudanese live cattle for immediate slaughter due to the outbreak of Rift Valley fever in Sudan.

FIGURE 1: EGYPT, Live Cattle Imports, CY 2012-2021



NOTE: (*) MY 2021 Post forecast cattle beginning stock figure.

Source: FAS Cairo office research.

In 2018, Egypt and Sudan signed an agreement to import 800,000 head of Sudanese live cattle for immediate slaughter over the course of three-years (i.e., 2018-2020). The agreement set to expire in 2020, was hobbled by the October 2019 outbreak of RVF in Sudan and the ensuing Egyptian ban (November 2019) on Sudanese live cattle imports. Since December 2019, the MALR's [General Organization for Veterinary Services](#) (GOVS) has approved Sudanese live cattle for slaughter and the production of beef cuts, but only if processing occurs in Sudan. Egyptian GOVS technical teams continue to travel routinely to inspect and certify slaughter and processing facilities in Sudan.

In March 2020, Egypt lifted the ban on Sudanese live cattle for immediate slaughter. However, Sudan's ongoing political crisis continues to disrupt live cattle shipments to Egypt.

Egypt's primary supplier of live cattle for immediate slaughter in recent years has been Sudan. Sudan, however, does not report its live cattle exports numbers. While Egypt's [Central Agency for Public Mobilization and Statistics](#) (CAPMAS) does report import numbers (including for animals coming from Sudan), it does so with a delay time of two-years.

Brazil is one of Egypt's major supplier of record of live cattle for immediate slaughter (Harmonized Tariff System – HS No. 0102.29). Brazil shipped in calendar year (CY) 2019 (January-December) 94,602 head of cattle (\$51.8 million on a freight-on-board basis - FOB). Through June 2020, Brazilian cattle shipments dropped to 35,384 head (\$18.8 million), down 53 percent by volume compared to the same period in 2019 (74,600 head).

The drop in live cattle shipments to Egypt is due to China's increased demand for frozen Brazilian beef and varietal meat cuts. Chinese demand for Brazilian beef has resulted in increased cow slaughter for beef production, displacing the number of live animals available for export to Egypt. China increased demand for foreign-origin animal protein is a result of the spread of African swine fever in the Chinese mainland (over the past 19-months) - the country's 440-million-hog herd has shrunk now by half. With the Brazil real's (BRL) also shedding 32 percent of its value against the U.S. dollar through mid-May 2020, Brazilian agricultural commodities and products have been on fire sale for buyers around the world. Brazil's exports to China of frozen beef through May 2020, at \$2.5 billion, are up 59 percent compared to the same period in 2019 (see [GAIN-BRAZIL \(BR2020-0025\) Brazilian Agricultural Sector Thrives despite COVID-19 Pandemic](#)).

Other live cattle suppliers in recent years include EU-28 member states Croatia, Germany, Hungary, Italy, the Netherlands, Slovenia, and Spain, in addition to South America's Colombia and Uruguay.

Egyptian imports of U.S.-origin live dairy cattle made a comeback in 2019-2020. U.S. Holsteins are highly regarded by Egyptian importers and government officials. High production U.S. Holstein dairy cattle are Egyptian dairy producers' preferred breed. One of Egypt's largest dairies uses higher milk producing U.S.-bred heifers and their offspring exclusively. Between November 2019 and February 2020, Egypt imported over 4,700 head of U.S. Holsteins. These shipments represent the first successful U.S. live cattle exports to Egypt since 2013 (see [GAIN-EGYPT \(EG2020-0001\) Got Milk – Egypt Imports U.S. Holsteins](#)).

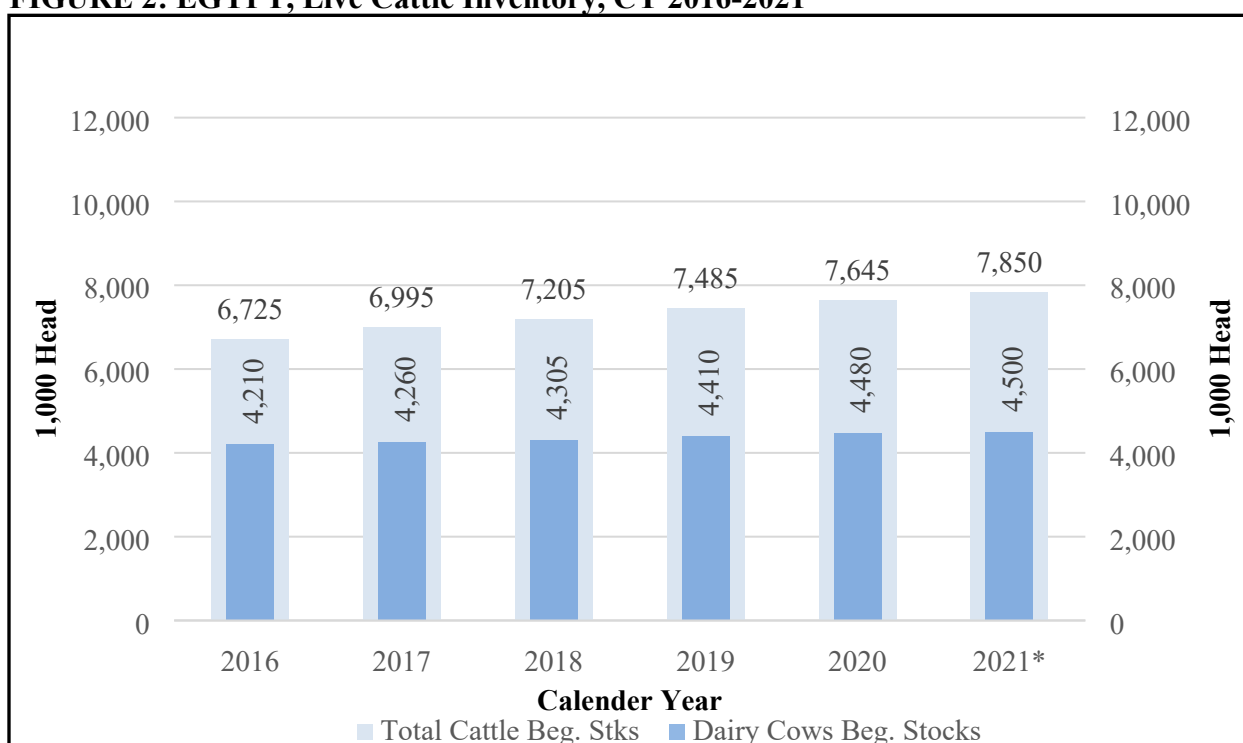
Exports: None. Egypt is not an exporter of live cattle for slaughter, nor of dairy cattle, or of animals for breeding stock.

POLICY

The Ministry of Agriculture and Land Reclamation in January 2019 launched the Filling the Blanks project. The project seeks to expand the national herd by 4.5 million head over the next two years (i.e., 2019-2021). Industry sources, however, are skeptical and highlight concerns with the feasibility of such quick, dynamic growth in the near-term. They do not see livestock imports occurring in large enough volumes. The expanded insemination of younger cows has also yet to yield expected results. The project aims, by increasing the national herd size, to increase dairy and beef productivity.

In 2016, President Abdel Fattah El-Sisi declared the National Million Cattle project, whereby Egypt will expand dairy and beef production by growing the national herd by 1 million head in a two-year period.

FIGURE 2: EGYPT, Live Cattle Inventory, CY 2016-2021



NOTE: (*) MY 2021 Post forecast cattle beginning stock figure.

Source: FAS Cairo office research.

The government continues to enforce Ministerial Decree (Agriculture) No. 72/2017 (February 2017), prohibiting the slaughter of domestic cattle weighing 400 kilograms or less, as well as of bulls under two-years of age. Prior to the decree, carcass weight averaged 27.5 kilograms; today carcass weight averages 130 kilograms. This decree does not apply to animals imported for immediate slaughter.

The National Veal project (relaunched in May 2017), benefitting to date 5,200 young, small-scale farmers fell on hard times in 2020. This year's number of beneficiaries has dropped precipitously; farmers are experiencing difficulties in repaying the five percent interest bearing loans for cattle and feed purchases. The project has succeeded to drive up pre-slaughter weights for 550,000 younger animals slaughtered yearly, up from the previous 80-120 kilograms range now to 400 kilograms.

MEAT, BEEF AND VEAL:

Production, Supply and Demand Data Statistics:

Meat, Beef and Veal	2019		2020		2021	
Market Begin Year	Jan 2019		Jan 2020		Jan 2021	
Egypt	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	1,705	1,820	1,765	1,765		1,790
Beginning Stocks	0	0	0	0		0
Production	365	373	367	367		375
Total Imports	330	340	290	290		300
Total Supply	695	713	657	657		675
Total Exports	0	0	0	0		0
Human Dom. Consumption	695	713	657	657		675
Other Use, Losses	0	0	0	0		0
Total Dom. Consumption	695	713	657	657		675
Ending Stocks	0	0	0	0		0
Total Distribution	695	713	657	657		675
(1,000 HEAD), (1,000 MT CWE)						

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

PRODUCTION

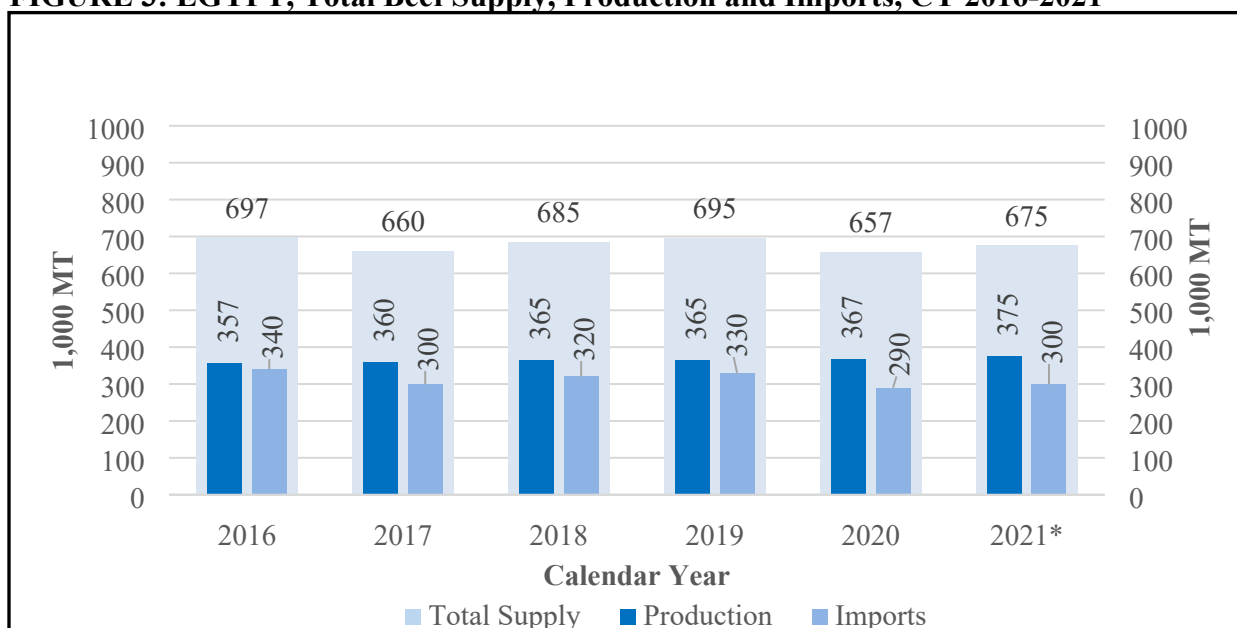
FAS Cairo forecasts Egypt’s beef production in MY 2021 to reach 375,000 MT, up two percent or 8,000 MT above the USDA’s official MY 2020 estimate of 367,000 metric tons. Egyptian beef production is increasing to meet growing consumer demand, which is expanding as inflation stabilizes and the population grows (2.3 percent per annum, Central Intelligence Agency, July 2020 estimate). Post is revising downwards it’s earlier MY 2020 beef production estimate of 370,000 MT and adopts the USDA’s official figure of 367,000 metric tons.

The dip in carcass weight in MY 2020 (i.e., 205 kilograms on average) is due to the influx of smaller-sized (lighter weight) Sudan-origin cattle for immediate slaughter. The weights and age requirements of Ministerial Decree (Agriculture) No. 72/2017 (February 2017) do not apply to imports of Sudanese cattle for immediate slaughter. Post forecasts carcass weight in MY 2021 at 214 kilograms. With the expiry of 2018-2020 Egyptian-Sudanese preferential import agreement, carcass weight is set to return to the earlier 2018 norm.

CONSUMPTION

FAS Cairo forecasts Egypt’s domestic beef consumption in MY 2021 to reach 675,000 MT, up by 2.5 percent or 18,000 MT above the USDA’s official MY 2020 number of 657,000 metric tons. Post attributes this slight increase in forecasted MY 2021 domestic beef consumption levels largely to natural population growth (2.3 percent). Post is revising downwards it’s earlier MY 2020 domestic beef consumption estimate of 720,000 MT and adopts the USDA’s official figure of 657,000 metric tons.

FIGURE 3: EGYPT, Total Beef Supply, Production and Imports, CY 2016-2021*



NOTE: (*) MY 2021 Post forecast beef production and imports figures.

Source: FAS Cairo office research.

The novel coronavirus (COVID-19) pandemic outbreak in Egypt (February 14, 2020), resulted in the complete suspension of tourism from March through June (over 100-days). This negatively affected hotel-restaurant-institutional (HRI) demand for beef. Tourism revenue losses have been \$1 billion per month. The country starting in late July and into early August resumed international flights, lifted the partial nighttime curfew (imposed since late March), and reopened restaurants, cafes, theaters, and cinemas, as well as hotels, museums, and archeological sites, but is still limiting capacity at 50 percent. The easing of restrictions is part of the government's coexistence plan to maintain anti-coronavirus precautionary measures while resuming economic activities.

Affordably priced beef drives domestic beef consumption; most of Egypt's population of 104.1 million are lower-income consumers. Any variation in the consumption rate is due mainly to beef affordability. Beef consumption remains tied to cost, rather than to recommended daily protein intake amounts.

Egyptians prefer beef to other types of meat (i.e., poultry and lamb). Consumers favor freshly slaughtered beef over frozen beef largely for cultural reasons. Egyptians consume red meat from locally produced fresh beef, imported live cattle or immediate slaughter, frozen water buffalo beef (India), and frozen beef (mainly from Brazil). More affluent consumers view imported frozen beef as an inferior product. They perceive the bulk of frozen beef imports as often being low-quality cuts sold mainly at government outlet stores at discounted (subsidized) prices.

The average retail price of beef in Egypt for local and imported cuts in Egyptian pounds increased in 2020 by eight percent compared to 2019. In U.S. dollar terms, this increase is closer to 12 percent. Beef livers, a major source of affordable animal protein, average EGP 50.00/kilogram (\$3.13), down from 2019's prices by EGP 10.00/kilogram. Beef liver prices per kilogram today, however, are nonetheless 60 percent higher than they were earlier in 2018.

TABLE 1: EGYPT, Meat Prices Before and After the November 2016 Devaluation

Product	Before the Devaluation		August 2017		August 2018		August 2019		August 2020	
	EGP	USD	EGP	USD	EGP	USD	EGP	USD	EGP	USD
Live Cow	40.00	2.23	60.00	3.35	65.00	3.63	55.00	3.33	55.00 to 60.00	3.50 to 3.75
Live Buffalo	37.00	2.07	51.00	2.85	54.00	3.02	48.00	2.90	50.00	3.00
Domestic Fresh Beef	80.00 to 120.00	4.40 to 6.70	120.00 to 180.00	6.70 to 10.00	120.00 to 180.00	5.03 to 5.59	120.00 to 180.00	7.20 to 10.90	130.00 to 185.00	8.00 to 11.50
Sudanese Chilled Beef	65.00	3.63	90.00	5.03	90.00 to 100.00	5.03 to 5.59	85.00	5.06	95.00	6.00
Brazilian Frozen Beef	45.00	2.51	75.00	4.10	75.00 to 85.00	4.19 to 4.75	80.00	4.80	80.00	5.00
Sudanese Chilled Beef at MOSIT Shops	60.00	3.35	85.00	4.75	90.00	5.03	85.00	5.06	95.00	5.95
Brazilian Frozen Beef at MOSIT Shops	50.00	2.79	69.00	3.85	80.00	4.47	50.00	2.97	65.00	4.07
Prices are per kilogram.										

NOTE: Foreign Exchange Rates (2017) EGP 17.65 = USD \$1.00; (2018) EGP 17.90 = USD \$1.00; (2019) EGP 16.81 = USD \$1.00; (2020) EGP 15.98 = USD \$1.00.

Source: FAS Cairo office research.

The 2020 *Eid al-Adha* Islamic holiday (July 31) saw prices for live cattle for slaughter range from EGP 23,000.00 (\$1,439.30) to EGP 31,650.00 (\$1,980.60). This represents an increase of five percent from last year's prices for live animals that ranged EGP 22,000.00 (\$1,308.75) to EGP 30,250.00 (\$1,799.52).

The Food Subsidy Program: The government in fiscal year (FY) 2019-2020 (July-June) allocated EGP 89 billion (\$5.6 billion) for food subsidies. Of this amount, EGP 51 billion (\$3.24 billion) alone is earmarked for the bread subsidy program (FOREX EGP 15.70 = USD \$1.00). The other EGP 38 billion (\$2.42 billion) is for supply commodities (including beef, chicken, and cooking oil). Sixty-four million Egyptians purchase subsidized food with credits deposited on their SMART cards.

The [Ministry of Supply and Internal Trade](#) (MOSIT) subsidizes beef and beef products through a network of 1,250 state-owned complexes managed by the Holding Company for Food Industries (HCFI) and by 27,000 partnered, private grocery stores. The ministry's HCFI outlets in 2020 sell Sudanese chilled beef at EGP 95.00/kilogram (\$5.95) compared to 85.00/kilogram (\$5.06) in 2019.

The Egyptian government, through the MOSIT/HCFI and Ministry of Defense stores, continues to prop up demand for beef by providing additional supply at below retail market costs. Government intervention stabilized prices, making imported beef less expensive than domestic product. Sudan and Brazil remain Egypt's main suppliers of beef, with India being the sole supplier of water buffalo beef. Demand for beef will increase as inflation eases and the population grows.

TRADE

Imports: FAS Cairo forecasts Egypt's total beef imports in MY 2021 to reach 300,000 MT, up three percent, or 10,000 MT greater than the USDA's official MY 2020 estimate of 290,000 metric tons. Post is revising downwards its earlier MY 2020 total beef imports estimate of 350,000 MT and adopts the USDA's official figure of 290,000 metric tons.

Following the Egyptian pound's November 2016 devaluation, several private sector importers left the market. Government ministries such as the Ministries of Supply and Internal Trade, Agriculture and Land Reclamation, and of Defense, are Egypt's largest importers of live cattle and frozen beef and varietal meats (i.e., livers, hearts, and kidneys). The ministries today are the largest players in the live cattle and beef market, driving down the cost of imported beef.

Exports: None. Egypt is not an exporter of meat, beef and or veal.

Egypt-U.S. Beef Liver Trade: In calendar year 2020 (January-June), exports to Egypt of U.S. frozen beef livers (HS No. 0206.22.00) are 23,483 MT, down 7,140 MT or 23 percent lower than in 2019 (i.e., 30,623 MT). Egypt is the largest export market for U.S.-origin frozen beef livers. In calendar year 2019, exports to Egypt of U.S. frozen beef livers reached 57,570 MT (\$67 million), up 3,200 MT from the 2018 volume of 54,368 MT (\$56 million).

Post perceives U.S. beef liver exports to Egypt confronting challenges, namely in the form of Egyptian standards establishing a zero-tolerance residue level for veterinary drugs (e.g., Ractopamine), port clearance delays remain due to prolonged inspections.

Egypt-U.S. Beef Trade: Through June 2020, exports to Egypt of U.S. beef (HS No. 0202.30.60 – meat of bovines, boneless, frozen, except processed) at 61 MT are down 10 percent compared to 2019 (i.e., 68 metric tons). COVID-19 disruptions to the Egyptian HRI sector dampened demand for U.S. high-quality beef cuts. In calendar year 2019, exports to Egypt of U.S. frozen beef (high-quality muscle cuts for high-end hotels and restaurants) reached 210 MT (\$2 million), up 123 percent from CY 2018's volume of 157 MT, while doubling from \$1 million in terms of value.

Egypt-Brazil Beef Trade: Through June 2020, Egypt's imports of Brazil-origin frozen beef are roughly 100,000 MT, up by 8,000 MT or almost nine percent above the 92,000 MT shipped during the same period in 2019. In calendar year 2019, Egypt imported 171,000 MT of Brazilian frozen beef, making Brazil the country's largest supplier of beef.

Egypt-India Beef (Water Buffalo) Trade: India remains Egypt's sole supplier of frozen water buffalo beef. Through June 2020, Egypt's imports of India-origin frozen water buffalo beef are 34,025 MT, up 50 percent, increasing 9,735 MT compared to the same period in 2019. Sources indicate that in 2019, India exported to Egypt 55,000 MT of water buffalo beef, an improvement from the 33,000 MT seen in 2018, but still down from 2017's volume of 89,816 metric tons.

Egypt-Ireland Beef Trade: Early in 2017, Ireland announced that it signed an agreement with Egypt to export Irish beef and offal. Egypt had banned Ireland-origin product since the late 1990s as part of the ban of European Union (EU) countries due to the outbreak of *bovine*

spongiform encephalopathy (BSE). Since 2001, Egypt has allowed the conditional lifting of the ban. In February 2016, following the inspection visit by Egypt's General Organization for Veterinary Services there was an easing of the ban. Ireland's Department of Agriculture indicates that with the finalization of technicalities, five Irish plants will commence exporting beef to Egypt. Both countries also agreed to the export of live cattle from Ireland to Egypt.

Although Egypt and Ireland finalized the technical export agreement in 2018, sources indicate that the agreement was revised in 2019 and once again in 2020. To date Egyptian traders have only imported two container-loads (100 MT) of Irish veal. A key impediment to more shipments is the high price of Irish product compared with that from other origins.

Beef Plant Audits and Halal Issues: In March 2019, officials from the MALR\GOVS conducted food safety and halal audits of U.S. beef processing establishments. The mission audited the U.S. food safety system for beef products. Following the audit, Egypt's GOVS provided system-wide food safety recognition for beef and beef products. All U.S. beef establishments under USDA\Food Safety Inspection Service supervision are now eligible to export to Egypt if establishments follow halal guidelines. Prior to the March 2019 audit, the GOVS conducted individual plant audits to determine beef plants eligibility to export to Egypt.

Following the audit, the GOVS approved only one halal certifier (out of eight) to certify halal shipments to Egypt. According to industry contacts, the price for halal certification has increased under the new system. Previously, halal certifiers charged \$10.00 (EGP 172.00) to \$20.00 (EGP 344.00) per metric ton for certification. That fee has now increased to \$0.10 per pound, equivalent to \$220.00/MT (EGP 3,516.00/MT) coming to a flat fee of \$5,000.00 per container). Post had anticipated that the new, higher halal certification fees would increase beef prices for Egyptian consumers (see [GAIN-EGYPT \(EG19007\): UPDATE – New Egyptian Halal Procedures May Disrupt Markets, Drive up Prices](#)); this has now come-to-pass.

POLICY

Halal Label Certification: On January 5, 2020, the Egyptian government issued Prime Ministerial Decree No. 35/2020, establishing a new state entity in the form of a joint-stock company integrated by the Ministries of Islamic Affairs, Agriculture and Land Reclamation, and the General Organization for Export and Import Control (an agency of the Ministry of Trade and Industry). The joint-stock company ISEGHALAL is the official Egyptian authority for granting halal label certification for foreign products shipped to the Arab Republic of Egypt (see [GAIN-EGYPT \(EG2020-0002\) Egypt's Halal Certification and Policy](#)).

Egypt Relaxes Shelf-Life Requirements for Frozen Fish and Beef Liver: On April 11, 2020, Egypt's Ministry of Trade and Industry (MOTI) issued Decree No. 209/2020. The decree extends the shelf-life validity period for imported frozen fish from six- to nine-months and of frozen beef liver from seven- to ten-months. The decree published in Egypt's official gazette (*Al-Wakaye Al-Mesreya*) on April 11, 2020, entered into effect on the same day of its publication and is valid until December 31, 2020 (see [GAIN-EGYPT \(EG2020-0020\) Egypt Relaxes Shelf-Life Requirements for Frozen Fish and Beef Liver](#)). Discussions with government authorities are now underway to formulate a longer-term solution.

Attachments:

No Attachments