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Egypt

Livestock and Products

Annual

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Approved by:
Asif Chaudhry
U.S. Embassy, Cairo
Prepared by:
Ali Abdi& Sherif Ibrahim

Report Highlights:
Red meat consumption in 2003 is expected to decrease due to limited local production and the continuing restrictions on the importation of red meat for direct consumption. The government's restrictions on the importation of live cattle from EU countries because of BSE and FMD concerns remain in place.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Production

Egypt's total number of livestock herd is currently estimated at 6.4 million: approximately 3.3 million buffalos and 3.1 million cows. Most of the herd is maintained primarily for dairy production, with meat production being of secondary importance. Although the bulk of the national herd is dispersed among a large number of small holders, the number of modern farms for both dairy and beef production has increased during the last few years. Due to the lack of land for pasture, most animals are fed in confinement. The number of modern dairy farms is currently estimated at 35, with a total of about 220,500 high milk producing imported cows (mostly from the U.S). The success of the National Buffalo Project (NBP) has encouraged more investors to establish feedlots for beef fattening. The number of beef farms is currently estimated at 250 with size of herd varying between 200 and 2000 heads. The objective of this project is to fatten the maximum number of buffalo calves to a live weight (LW) of 450-500 Kilograms in order to reduce the need for importing live animals or frozen meat. In 2002, the NBP accounted for about 330,000 heads of the total national herd compared to 320,000 heads in 2001. It is estimated that the total number of buffalo for fattening is currently 350,000 heads. While most cow calves are fattened up to 360-450 Kg (LW), about 60 percent of buffalo calves are slaughtered at 70-80 Kilograms live weight for veal production, and the balance is fattened up to 450 Kg. The total number of animals slaughtered for meat in 2002 is estimated at 2,009,000 heads, (662,970 cows and 1,3467,030 buffaloes). Total meat production in 2002 is estimated at 442,000 MT and it is expected to decrease slightly in 2003, as a result of decreasing consumer purchasing power due to the devaluation of the Egyptian pound. However, number of slaughtered animals is expected to rebound in 2004 due to expected expansion in beef fattening oprations.

The fragmentation of the national herd is a major constraint to the development of the livestock sector in Egypt. The majority of the producers have only a few heads of cattle and remain largely ill-informed about recent technological advances as extension programs designed to improve animal nutrition, health, and breeding are difficult to administer. Herd improvement through artificial insemination is only practiced in large dairy farms.

Most farms mix their feed rations on the farm. These rations consist of corn, cottonseed meal, wheat bran and farm by-products (rice straw, rice hulls, bean straw, barely straw), molasses, limestone, vitamins and salt. According to government feed regulations, growth hormones are not permitted to be used in manufacturing animal feed.

Some of the problems that impact the efficiency of meat production in Egypt rise from the lack of adequate packaging, sanitation, and quality control. Currently, there are 355 slaughter houses in operation in Egypt. Most of these are small one-room operations, but there are eight industrial facilities located in Cairo and Alexandria where about 40 percent of the commercial scale slaughtering takes place. Animals are slaughtered according to Islamic requirements (Halal). About 50 percent of the slaughter cattle and buffalo, and 60 percent of the slaughter calves are slaughtered outside specialized slaughter houses or either on- farm or in villages.

Consumption

In 2002, total red meat consumption is estimated to be 549,000 MT, of which about 80 percent is locally produced. This represents about 9 percent higher than 2001 level. Most of this increase is due to increase in the number of slaughter animals and the importation of frozen meat. The consumption of meat in 2003 is expected to decrease slightly due to expected decrease in number of slaughtered animals and the importation of frozen meat. The average per capita consumption of red meat in 2002 is estimated at about 8 Kg/year, about the same as 2001, however, per capita red meat consumption in 2003 is expected to decrease to 7.38 Kg. This is mainly due to limited local production and the continuing restrictions on the importation of red meat for direct consumption. Egyptians prefer beef to other types of meat including poultry and lamb. They also prefer fresh over frozen beef. The more affluent segment of the population tends to think of imported frozen meat as an inferior product. The exception to this is the very limited amount of high quality beef imported for use in hotels and restaurants.

Imported beef liver is established as a relatively cheap source of protein. A substantial share of beef liver imports is sold by street vendors as sandwiches and the remaining is either consumed at home or at restaurants. Competition to beef livers comes from other sources of comparatively cheap animal protein such as imported frozen fish and low price beef cuts from South American countries and India such as briskets.

Prices

The prices of local live cattle in May-June 2003 were reported at LE 8.90 per Kg live weight for cows and LE 7.90 per Kg for buffalo. The prices of imported frozen beef for processing from South American countries (with maximum fat content of 20 percent) during May -June 2003, were reported at $ 1,700 per MT/CIF for hindquarters, $1,500 per MT/CIF for forequarters (about $50 per MT less than prices at the same period in 2002), while Chinese compensated beef is currently being imported for $2,150 per MT/CIF as compared to $2,100 per MT/CIF during the same period last year. The importation of Indian buffalo meat is banned by the Ministry of Agricultural due to frequent SPS violations. Imported frozen beef from South American countries currently retails between LE 11 and LE 13 per Kg. The retail prices for locally produced beef vary between LE 18 and 33 per Kg. Imported frozen beef liver is currently imported at $950 per MT/CIF and retails between LE 7 and 8 per Kg compared to LE 30 per Kg for fresh liver.

Trade

The government's import restrictions on the importation of live cattle from EU countries because of BSE and FMD concerns remain in place. This is having a major impact on the importation of live cattle from the EU countries, especially Ireland which used to be the major supplier of live cattle to Egypt. Australia continued to be the major supplier of beef cattle to Egypt in 2002.Total beef cattle imports in 2002 are estimated at 153,000 heads (all from Australia). In 2003, Australia is expected to remain as the primary supplier of live cattle to Egypt. Total beef cattle imported during the period of January through the end of May 2003 is estimated at 17,063 heads (all from Australia). Imports of beef cattle is expected to be mostly from Australia unless the government decides to remove the ban on Irish cattle imports. Dairy cattle imports in 2002 are estimated at 9,000 heads, mostly from Australian at an average price of $ 1,200/ CIF per head. Until June 2001, U.S. dairy cattle imports were affected by the Ministry of Agriculture decree # 1355 of 1998, which required that imported cattle must come from a country or an area declared as Bovine Leukosis (EBL) free. Since the U.S. is not declared as EBL free, the importation of U.S dairy cattle into Egypt was effectively banned. However, in April,7, 2001, as a result of joint efforts between the U.S. industry, importers and FAS/Cairo, together with USDA/ APHIS, the Egyptian government agreed to consider that the breeding cattle come from a biosecured farm under the supervision of official veterinary authorities can be considered as coming from EBL free area. U.S dairy cattle imports, however, continue to remain absent from the Egyptian market due to high prices relative to other suppliers. Egyptian dairy farmers favor U.S. dairy cattle due to their higher milk production (27 Kg/day in their first lactation) compared to16 Kg/day for cattle from other sources. However, according to Egyptian importers, the price of U.S dairy cattle which is currently $3,000 CIF for non registered and about $3,300 CIF for registered cattle, is a constrain for U.S. exports. As a result, importers are forced to think about imports from other countries such as Australia, Canada and New-Zealand which GOE reportedly considers free of EBL.

Egyptian imports of frozen beef in 2002 are estimated at 107,000 MT compared to 75,000 MT in 2001. Further decline in beef imports in 2003 is expected due to the continuing devaluation of Egyptian pound which made imports more expensive. Brazil and Argentina are now the major suppliers of imported frozen meat to Egypt. Meat processing facilities which rely on imported frozen meat imports are running short on supply. Industry sources indicate that 40 percent of these facilities have closed and the remains facilities are operating at about 50 percent of their capacity.

The U.S. is not a major beef supplier to Egypt due to non- tariff barriers such as government restrictions of 7 percent fat content on imported beef for direct consumption as well as lack of price competitiveness with other exporters. U.S. beef exports to Egypt are limited to high quality cuts with extra trimming mostly for tourist facilities and hotels. Egypt usually imports about 250 MT of high quality beef from U.S every year.

In 2002, total Egypt's imports of beef livers were estimated at 29,597 MT out of which 29,554 MT were imported from the U.S. Egyptian labeling requirements which stipulate that exporters must insert the name of the importers inside and outside the products' package continue to restrict the importation of beef products into Egypt. This requirement tends to increase the price of beef liver imports since suppliers are forced to pack shipments especially for Egypt in order to comply with Egyptian labeling requirements.

PSD Table Cattle

PSD Table						
Country:						
Commodity:						
		2002		2003		2004
	Old	New	Old	New	Old	New
Calendar Year Begin		01/2002		01/2003		01/2004
Total Cattle Beg. Stks	6387	6390	6389	6400	0	6438
Dairy Cows Beg. Stocks	4150	4152	4151	4160	0	4180
Beef Cows Beg. Stocks	0	0	0	0	0	0
Production (Calf Crop)	2167	2167	2168	2200	0	2215
Intra EC Imports	0	0	0	0	0	0
Other Imports	230	153	225	100	0	100
TOTAL Imports	230	153	225	100	0	100
TOTAL SUPPLY	8784	8710	8782	8700	0	8753
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Cow Slaughter	540	550	535	528	0	540
Calf Slaughter	150	152	155	154	0	155
Other Slaughter	1356	1307	1358	1280	0	1358
Total Slaughter	2046	2009	2048	1962	0	2053
Loss	340	301	340	300	0	300
Ending Inventories	6398	6400	6394	6438	0	6400
TOTAL DISTRIBUTION	8784	8710	8782	8700	0	8753
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix Animal Numbers

Import Trade Matrix		Animal Numbers		
Country:			Units:	1000 MT CWE
Commodity:			Partial Begin:	Jan
			Partial End:	May
Exports for	2001	2002	2002	2003
	Full	Full	Partial	Partial
U.S.				
Others				
Australia	108,805	152,870	55,370	17,063
Germany	34,381			
Romania	51,420			
Italy				
Hungary	9,914			
Ukrania	4,469			
Poland	4,341			
Portugal				
Indonesia				
Total for Others	213330	152870	55370	17063
Others not listed				
Grand Total	213330	152870	55370	17063

PSD Table Meat

PSD Table						
Country:	Egypt				<-Conversion factor for CWE	
Commodity:	Cattle					
		2002		2003		2004
	Old	New	Old	New	Old	New
Calendar Year Begin		01/2002		01/2003		01/2004
Slaughter (Reference)	2046	2009	2048	1962	0	2053
Beginning Stocks	0	0	0	0	0	0
Production	450	442	450	432	0	452
Intra EC Imports	0	0	0	0	0	0
Other Imports	130	107	75	70	0	75
TOTAL Imports	130	107	75	70	0	75
TOTAL SUPPLY	580	549	525	502	0	527
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Human Dom. Consumption	580	549	525	502	0	527
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	580	549	525	502	0	527
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	580	549	525	502	0	527
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix Meat

Import Trade Matrix		Meat		
Country:			Units:	MTCWE
Commodity:			Partial Begin:	Jan
			Partial End:	May
Exports for	2001	2002	2002	2003
	Full	Full	Partial	Partial
U.S.				
Others				
Ireland	1,807			
Uragway		3,530	1,367	
Netherlands				
India	30,667	31,847	15,678	
Brazil	30,950	44,311	26,369	29,869
China	6,226			
Argantina		21,963	13,251	6,129
Total for Others	69650	101651	56665	35998
Others not listed	5,350	5,321	3,485	557
Grand Total	75000	106972	60150	36555