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## **AGRICULTURAL SECTOR IN EGYPT – OVERVIEW**



**THINK TANK EGYPT**  
— CONSULTING FIRM —



# Agricultural sector in Egypt

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## Introduction

Agriculture is a major factor in the Egyptian economy, with contribution 15 % to the national GDP. Egyptian economic reforms are invested in rural and agricultural development to reduce poverty and to achieves food security.

This report will present the current status of Egyptian agriculture. It will investigate the agricultural seen in Egypt, from cultivated lands to newly added ready to cultivate lands and their irrigation systems.

In short, it will shed light on the fundamentals of Egypt's agricultural economy and its prospects.

### **1. Egyptian economy.**

Due to aggressive monetary tightening, a falling pound, import controls, and rising inflation, the economy is likely to lose steam in October-December 2022 compared to July-September 2022. Inflation increased to 31.9% in February 2023 from 21.3% in December 2022.

The inflation rate in February 2023 was the highest since November 2017. The increase was primarily due to rising food prices, as well as transportation costs.

The consensus predicts that inflation will slow slightly by year's end 2023 but will remain well in double digits due to the shaky pound.



## 1.1. Economic indicators

<i>Population:</i>	<i>106,620,265 citizen</i>
<b><i>1-Economic indicators</i></b>	
<i>Purchasing power in USD.</i>	<i>\$ 1.388 trillion</i>
<i>GDP in USD.</i>	<i>\$ 424 B</i>
<i>GDP growth rate</i>	<i>3.9%</i>
<i>Gold reserve in Tons</i>	<i>126</i>
<i>Labor force</i>	<i>28159 M</i>
<i>Unemployment Rate</i>	<i>7.2%</i>
<i>Inflation</i>	<i>31.9%</i>
<i>Budget deficit as percent of GDP</i>	<i>-6.8%</i>
<i>External debt</i>	<i>\$ 155.7 B</i>
<i>Gov. debt as a percent of GDP</i>	<i>87.2%</i>
<i>FDI</i>	<i>\$ 8,994 B</i>
<i>Tax</i>	<i>22.5%</i>
<i>Personal income tax</i>	<i>25 %</i>
<i>Exports in USD.</i>	<i>\$ 53.8 B</i>
<i>Imports in USD.</i>	<i>\$ 80.9 B</i>
<i>Trade balance in USD.</i>	<i>\$ (-26.9) B</i>

## 1.2. Challenges.

### a) The foreign currency shortage.

Since the start of Russia's war in Ukraine, approximately \$25 billion in foreign indirect investments, primarily in local debt instruments (hot money), have fled the domestic market, resulting in a significant shortage of the US dollar on the market liquidity level as well as in the country's foreign currency reserves.

This problem has hampered Egypt's imports, which are currently being held up in ports due to a lack of dollars required for the customs, as a result, basic goods are scarce in the domestic market. The foreign currency shortage has also pushed up US dollar prices in the parallel market, which have risen above EGP 30.

### b) Inflation.

Egypt's inflation rate has been rapidly increasing since March 2022, reaching more than 21% by the end of November 2022, the highest level in nearly five years. Inflation is being driven primarily by rising food and beverage prices, as well as rising service prices. According to the CBE, November's inflation figure was primarily influenced by the Egyptian pound's devaluation in October and the ongoing consequences of the Russia-Ukraine conflict.

Annual food inflation has been primarily driven by core food inflation since the start of the calendar year 2022, CBE added.



### c) Debt.

Egypt has already adopted a medium term strategy of debt management that aims to sustain the downward path of the country's internal debt to GDP ratio to run at 71.9% by FY2026/2027, down from the current 87.2%. The shortage of US dollars, as well as the country's goal of achieving 5% real GDP growth in the current fiscal year 2022/2023

Egypt's external debt increased to \$155.7 billion (37.2% of FY2021/2022 GDP) at the end of June 2022, up from \$137.9 billion (32.3 percent of GDP) at the end of June 2021.

### d) Real GDP growth.

With all of these challenges, Egypt will find it difficult to achieve real GDP growth in 2023.

The country's expected growth in 2022 fell from 6.5% before the Ukrainian war to 5% afterward. It intends to achieve 5.5% growth in 2023.

Egypt achieved 6.2% real GDP growth in FY2021/2022, which is expected to slow before increasing to 7% in FY 2025/2026 and FY2026/2027.

The World Bank reduced its forecast for Egypt's real GDP growth in FY2022/2023 to 4.5% in December, down from 4.8% in October and below the 6.6% achieved in FY2021/2022, owing primarily to the fallout from the Russian-Ukrainian conflict and the pandemic.

## 1.3. Opportunities.

### I. Economy Expanding.

Egypt's economy is expected to improve continuously for a variety of reasons. The Zohr field, discovered in 2015, is an excellent source of liquefied natural gas (LNG) production in Egypt, which obviously increase the foreign currency reserves. Tourism programs also another major source of foreign currency. Recent discoveries of Oil and Gas in the Gulf of Suez are also expected to benefit the country, particularly in terms of foreign investment.

### II. Rapid population growth

Egypt's population is growing at an exponential rate. On the one hand, this growth will bring with it a slew of problems, but if managed properly, Egypt will reap significant benefits. The greater the number of people contributing to the country's growing economy, the better. Of course, the private sector must be further developed and expanded in order to capitalize on this massive working-class opportunity.



### III. Modernization of the economy

As Egypt moves forward it is vital for the country to work on improving the hang-ups in the economic sphere. The trick is to utilize the resources as efficiently as possible at lower costs.

#### **2. Egypt's 2030 strategy goals for the agricultural sector.**

It also completed the implementation plan of this strategy, which includes ten national programs, including 37 national agricultural development projects. The strategy focuses on achieving the following objectives:

1. Maintaining, improving and developing available agricultural economic resources for the benefit of the current and future generations and the optimal and sustainable use of those resources and achieving the highest possible outcome of land, water, capital and labor unit.
2. Achieving sustainable and accelerated agricultural growth rates that exceed the growth rates in the population and gradually reach the growth rate of the agricultural GDP to about 4.5% per year.
3. Achieving a higher degree of food security, especially for strategic crops.
4. Strengthening the competitiveness of agricultural products in domestic and international markets.

#### **2.1. Agricultural sector projects from 2015 to 2022.**

- 1- Inauguration and reclamation of 45 and planting 1,000 acres with modern irrigation methods and systems in areas (Farafra - Ain Dalla - Plain villagers - Sahl Baraka - Grotto - Toshki - East of Aweinat - And West Minya) by the drilling of 902 wells to provide water.
- 2- Reclamation and cultivation of 10,000 acres in the New Valley with the drilling of 40 wells
- 3- Reclamation and cultivation of 10,000 acres in the plain of Baraka in Al-Farafra.
- 4- Reclamation and cultivation of 15,000 acres in Bir al-Abd.
- 5- Raising the efficiency and rehabilitation of 1200 water tanks and safes in several provinces.
- 6- Development of agricultural stone plants in several provinces to serve and support 7 million farmers.
- 7- 21,000 acres planted in Al-Farafra.
- 8- Support and development of irrigation systems in Fayoum and Minya.
- 9- Rural development in Upper Egypt provinces by supporting 51,000 micro-projects.
- 10- Construction of 529 greenhouses on an area of 100 acres in The City of Hope.
- 11- Construction of 2,350 giant greenhouses on an area of 12,500 acres at abu Sultan site.



- 12- Completion of the first phase of the project at Mohammed Najib base in Hammam city, Matrouh.
- 13- Construction of an agricultural drainage system in the New Valley.
- 14- Construction of an agricultural drainage system in the east of the lakes in Ismailia province.
- 15- 2,500-acre agricultural greenhouse project on The 10th of Ramadan.
- 16- 1,640 acres of agriculture project in Ismailia.
- 17- Lahon Farm in Fayoum with an area of 13,000 acres and contains 2000 greenhouses.
- 18- Project 1300 agricultural photos on an area of 10 thousand acres in The city of Hammam in Matrouh.
- 19- Packing and sorting station at Mohammed Najib base with a storage capacity of 1200 tons.
- 20- Construction of 13 agricultural communities in North and South Sinai provinces with the drilling of 165 wells.
- 21- Water supply for 14,000 acres and 12,000 greenhouses in North and South Sinai.
- 22- Development of the agricultural machine in Fayoum and Al-Mina.

## **2.2. Related projects**

- Transport and road projects that support the movement and transport of agricultural crops faster and contribute to reducing the loss during the transportation phase.
- Projects to establish logistical areas, which reflect on maintaining the quality of agricultural products, minimize the loss in the overall processes, creating competitive advantage and reducing the movement of products over long distances.
- Energy projects that contribute to the provision of energy resources needed for operation in agricultural projects.
- Local industry development projects and industry support, which is targeting to achieve a high industrial growth rate to reflect positively, on industries that depend on agricultural products.
- Expansion of the establishing advanced markets in a nationwide scale, to create additional sales channels for agricultural products domestically.
- Expansion of the construction and development of ports, to contribute to increasing Egyptian exports of agricultural products.
- The expansion of railway projects contributes to speed and to ease the access of agricultural products to more widespread points.
- Expansion of projects related to telecommunications and the Internet, which reflects positively on the agricultural sector.



### 3. Egypt Agricultural Economic

The area of agricultural land in Egypt is about 9.7 million acres represents about 3.57% of the total area of the Arab Republic of Egypt. The cultivated crop area increased to 17.5 million acres in 2022, and it employs 7.4 million farmers representing 24.7% of the total Egyptian labor force in increased. the state seeks to increase the agricultural area to 12.5 million acres.

According to many studies, the possibility of expansion of the cultivated land by agricultural reclamation to reach the percentage of 6.34% of the total area of Egypt. The state is investing seriously to reclaim and cultivate 2.1 million acres in both Dabaa, Toshki and east of the canal with the latest methods of agriculture and advanced irrigation systems, which depend on all groundwater and rain and reuse of water through giant plants.

- 1- Egypt's vegetable production mounted to 21.3 million tons in 2022 compared 20.5 million tons in 2021.
- 2- Egypt's fruit production mounted 11.6 million tons in 2022 compared to 10.7 million tons in 2021.
- 3- Egypt's rice production mounted 6.6 million tons in 2022 compared to 6.5 million tons in 2021.
- 4- Egypt's wheat production mounted 10 million tons in 2022 compared to 9.3 million tons in 2021.
- 5- The private sector contributes with 88% of total investment in agriculture.
- 6- The agriculture sector contributed 1.118 trillion pounds to GDP in 2022, compared to EGP 998 billion in 2021.
- 7- Total agricultural exports reached 6.5 million tons in 2022 with a total value of \$3.3 billion and representing 6.1% of the total Egyptian exports.
- 8- Egyptian agricultural commodities have been marketed in 150 countries, and 6 promising new markets have been opened to Egyptian exports.
- 9- Egypt is world biggest exporter of frozen citrus and strawberries.





### 3.1 The cultivated area:

The total cultivated area is 9.7 million acres in 2022. The total crop cultivated area is 17.5 million acres inclusive of winter, perennial, summer crops. .

Divided as follows:

1. Winter crops, basic agriculture area of 5.3 million acres and 2 million acres by reclamation.
2. Perennial crops, basic agriculture area 885 thousand acres and 1.370 million acres by reclamation.
3. Summer crops, basic agriculture area 5 million acres and new land 1.85 million acres by reclamation.

### 3.2 Strategic Crops

- 1- Wheat: 3.6 million acres produces 10 million tons per year in 2022 and is the highest production of Behira governorate.
- 2- Sugar cane: 340,000 acres produced 9.1 million tons in 2022 and the highest qena is the highest production.
- 3- Cedar: 724,000 acres producing 3.5 million tons in 2022 and the province of Daqahliya is the highest production.
- 4- Tomatoes: 485,000 acres producing 7 million tons in 2022 and the city of Nubaria highest production.
- 5- Potatoes: 646 thousand acres produced 6 million tons in 2022 and the province of Lake is the highest production.
- 6- Orange: 309,000 acres producing 3.17 million tons in 2022 and the highest production city of Nubaria.
- 7- Strawberries: 22.7 thousand acres producing 460.2 thousand tons in 2022 and the Behira is the highest production.
- 8- Bananas: 84,000 acres producing 1.5 million tons in 2022 and the highest production city of Nubaria.
- 9- Palm dates: 135 thousand acres producing 1.8 million tons in 2022 and Giza is the highest production.
- 10- Agricultural greenhouse: 30.178 million square meters and produces 341 thousand tons in 2022 and the province of Daqahliya is the highest production.



### 3.3 Key players:

Agricultural Development and Credit Bank - Agricultural Bank of Egypt - Agricultural Credit Cooperatives - Agricultural Reform Cooperatives - Cooperative Societies for Reclaimed Land - Local Associations - Village Bank - Haya Agricultural Association - Agricultural NGOs - Egyptian Countryside Company.

The number of cooperative and non-governmental associations in Egypt has reached nearly 6059 associations throughout the republic.

### 3.4 The State efforts to support farmers:

1. Launching the smart farmer card system, which is one of the new systems for protecting the farmer in order to preserve his rights and facilitate the state in directing the production requirements to those who actually deserve, and to clarify the real possession and the cultivated area.
2. The system was implemented in 12 provinces and 950.9 thousand cards were delivered, namely the provinces (Al Gharbia - Port Said - Assiut - Sohag - Lake - Eastern - Qalyubia - Manoufia - Giza - Fayoum - Luxor - Daqahliya).
3. 365 thousand double-chip cards were printed, to turn from a tenure card only to a payment card that provides "advantage" services, pointing out that there are 5.6 million acquired nationwide since the start of the project, by 97.5%, while 23 directorates of agriculture have been mechanized in their sectors and 300 agricultural departments.
  - 3.1. The total cost of state support for farmers and farmers to finance the agricultural development programme ranges from 400 to 800 million pounds
  - 3.2. The total loans to them to finance agricultural crops, vegetables and fruits total about 8 billion pounds.
  - 3.3. The total amount adopted in the form of soft loans to small farmers and producers during the period from 1 January 2020 to 20/12/2020 was about EGP 717.9million.
4. The value of loans granted under the "Sasmi" program to support small and medium-sized enterprises in the agricultural sector reached EGP 1.4 billion and was received by 111 thousand beneficiaries, as of the end of the third quarter of this year, knowing that this program targets small farmers, investors, food producers and agricultural industries.



5. The State has established the Egyptian Countryside Company to manage the national project for the reclamation of one and a half acres and held many initiatives to provide technical and technical support to farmers and agree on financing support for those projects in addition to equipping all projects with all the services needed by farmers, which reflects on raising the level of quality and reducing the rates of failure, which supports competitiveness in the local and international market.

### **3.5 The Mechanical Agricultural Machinery indicators:**

1. Agricultural tractors: 143.8 thousand tractors in 2022 with a capacity of up to 9.17 million hp and the provinces of Lake, Kafr Al-Sheikh, Sharqiya, Daqahliya and Minya higher in terms of the presence of agricultural tractors and the governorates of the Red Sea, Cairo, Port Said and Suez are the least in terms of the presence of tractors
2. Irrigation machines: 1.12 million irrigation machines in 2022, 24.6% of which are fixed and 75.4% mobile and with a capacity of up to 14.8 million hp and are the governor of Al-Beheira, Kafr Al-Sheikh and Upper West in terms of the use of irrigation machines and the governorates of the Red Sea, Cairo, Matrouh, North and South Sinai are the least in terms of the use of irrigation machines
3. Threshing machines: 80.5 thousand Threshing machines in 2022 and the provinces of Kafr Al-Sheikh, Asyut, Minya and Daqahliya are the highest in terms of the use of Threshing machines and are the governorates of Cairo, Port Said, Suez, North and South Sinai in terms of the use of Threshing machines
4. Machinery and other agricultural equipment: 364 thousand machines and prepared in 2022 and the provinces of Lake, Eastern, Fayoum and Kafr Al-Sheikh al-Ali in terms of the availability of machinery and agricultural equipment, and the governorates of the Red Sea, Suez, Cairo and Port Said are the least in terms of the availability of agricultural machinery and equipment



### 3.6 Fertilizers and Pesticides

Fertilizer industry is one of the important industries in Egypt and the volume of fertilizer production (Urea -Phosphate - Potassium) in Egypt reached 25.2 million tons in 2022 where the acre in Egypt consumes an average of 8 fertilizer shards. While Egypt's agricultural sector consumes about 15 million tons in 2022.

Egypt's agricultural sector consumes pesticides 3,300 tons are produced locally, 6,700 tons are imported annually, and the Ministry of Agriculture has drawn up a plan to reduce the consumption of agricultural pesticides by 51.1% in 2022. Egypt has one of the lowest ratios of pesticide to cultivated lands in the world.

### 4.The Impact of Climate Change

Egypt is affected by four different weather systems (Mediterranean, Saharan, sub-Sahara, mountain range) with rain only 100 mm in the coastal areas in the far north, while in the rest of the country, the rainfall rates are negligible. In southern Egypt, it could reach 100 mm, if Egypt is located in a dry area, with only a thin, water-rich line, with an area of only 3 to 4% of Egypt's area, called the Nile River and delta, and the rest is a desert, a range that is most affected by the climate. Egypt's climate in the north is classified as mostly Mediterranean, but in the south there is a dry and semi-dry climate, this climate was one of the most stable in the world in history, as evidenced by the fact that most civilizations around the Mediterranean basin. Sharp, as well as rainfall in limited time, which may cause torrential rains, such as in the Red Sea, Sinai, northern delta and southern Upper Egypt, or very long heat waves, sometimes high heat waves occur for a day or two at abnormal time, as happened on May 22, 2019, when Egypt's temperature reached 50 degrees Celsius, the highest temperature on earth on that day.

The agricultural sector is most affected by climate change, this sector is affected by a direct lack of productivity in some crops and seasons, the summer season 2018 and winter season 2019 gave examples of the impact of climate change, for example, winter 2018 was short and temperatures in the warm area, causing most fallen fruit trees and olives did not meet their cold needs, so that olive productivity in most regions decreased by more than 70%. In order for these trees to enter the spring germination phase, they must take their cooling needs, affecting the rates of flowering and contracting, which are important indicators of productivity levels.



But on the other hand, the average concentration of sunlight helps Egypt expand the use of solar energy in the service of agricultural projects more widely.

Adding more rain in the Red Mountains region more intensively than in previous years, this has prompted the Egyptian pile to establish artificial lakes to collect rainwater and expand the construction of flood-free areas, enabling the creation of investment opportunities in the agricultural sector in those areas.

## 5.Irrigation

The Nile river is the lifeblood of Egyptians, where the river is about 95% of our total water resources, and our total water resources as of 2006/07 amounted to about 69.96 billion m<sup>3</sup>, of which about 55.5 billion m<sup>3</sup> is Egypt's constant share of Nile water, and rainwater and floods represent only a small percentage of the total water resources, and make up groundwater. About 6.1 billion cubic meters of total resources, agriculture consumes about 85.6% of the total resources where a quantity of 59.3 billion cubic meters is used in agriculture where Egypt needs agriculture about 61 billion cubic meters of water and under the development and upgrading of treatment plants and the construction of modern plants, which produce approximately 21 billion cubic meters of treated water of which 7.9 billion cubic meters of water treatment from agricultural drainage.

The total pumping of water from wells is approximately 17,300 cubic meters per day.

Dependence on external water resources is estimated at 97%.

Egypt is dependent on 97% of its water resources on its share of Nile water, which is estimated at 55.5 billion cubic meters.

The total efficiency of Egypt's irrigation system is one of the highest in the world, greater than 88%, although traditional irrigation methods continue to be relied upon in some regions.

The amount of water available to agriculture in the future is expected to decrease as the population increases as resources stabilize, which will negatively affect the food gap and the return from agriculture in national output and employment rates in agriculture.

Egypt imports virtual water estimated at 34 billion cubic meters per year.



## 5.1 Irrigation Network

The irrigation network in Egypt is like a tree, and the Nile river represents its trunk, from which the main and sub-canals are emptied, and this tree occupies approximately 13% of the area of agricultural land, and the total lengths of the canals about 33.2 thousand kilometers, the lengths of the open drains amount to about 22.7 thousand kilometers, and the length of the banks covered about 561 thousand kilometers, and the area of the land benefiting from the drainage system covered about 561 thousand acres.

- Egypt's crop production is based on irrigated agriculture, which is about 84.5% of the total agricultural land, and sustainable agriculture is about 12.9%.
- Surface irrigation is the most common method in Egypt and is used in about 82% of agricultural land and drip irrigation is used in about 10% and spray irrigation in about 8% of agricultural land.
- Winter lug consumes approximately 30.3% of the water allocated to agriculture
- Summer lug consumes about 57.2% of the water allocated to agriculture
- The Indigo lug consumes about 1.8% of the water allocated to agriculture
- Fruit consumes about 10.7% of the water allocated to agriculture

## 5.2 Ministry of Irrigation Strategy

The Ministry of Water Resources and Irrigation manages the Nile water and surface and groundwater resources in addition to planning, designing, constructing, managing and maintaining irrigation and drainage systems in Egypt, and the ministry's strategy is based on **three main axes:**

- The first axis: maintaining all available water resources and developing them and rationalizing their use and maximizing their return and raising their efficiency, through the use of advanced technologies and modern technological means to implement many national mechanisms, programs and projects in the field of irrigation and drainage development, rehabilitation and maintenance of existing networks and the optimal use of non-traditional water resources, and the reuse of agricultural and sanitary water after treatment.
- The second axis: maintaining the quality of water and protecting it from pollution and controlling negative environmental impacts in order to achieve the preservation of public



health and support comprehensive awareness programs, and the application of laws to protect the River Nile and waterways from pollution.

- The third axis: increasing water resources in cooperation with Nile basin countries through the establishment of several joint projects to attract the energies and windows wasted in the sources of the Nile in favor of development projects for the Nile Basin countries.

### **5.3 Development programs:**

As part of the implementation of horizontal agricultural expansion projects to add an area of 3.4 million acres during the period 1997-2017, the Ministry of Water Resources and Irrigation has drawn up an ambitious plan for the development, development and conservation of water resources through 2017.

### **5.4 Programs and projects implemented and under way from 2017 include:**

1. Implementation of an irrigation development program in an area of 3.5 million acres from the existed cultivated land.
2. Implementation of a program to develop and construct large reservoirs and canals with a total investment of 10 billion pounds until 2017 the program to conserve water resources and protect the Nile River by raising the efficiency of the performance of irrigation and drainage networks.
3. The replacement and renovation of lifting stations to re-establish the effectiveness of about 1,500 irrigation and drainage stations.
4. Water resources development program in cooperation with Nile basin countries.
5. Program to maintain the safety and efficiency of the high dam of Aswan and the Old Aswan dam.

### **Projects aimed to serving the agricultural sector that have been implemented and worked on from 2018 to date:**

1. Drilling, replacement and processing of 1415 internal wells.
2. Serapium Sahara.
3. Raising the efficiency of the Sorjan Canal in Damietta province.
4. Development of Lake Al-Minaa.
5. Rehabilitation and lining of canals and banks in a nationwide scale.
6. Covering canals and banks on nationwide scale to reduce the process of missing through evaporation.



7. 50 wells drilled 1000 meters deep in New Valley Governorate
8. Solar operated wells in The New Valley Governorate
9. Solar operated wells in Toshki
10. Construction of many agricultural exchange treatment plants in a nationwide scale.
11. Construction of several desalination plants close to the coastal areas.

## 6. Market (Local - Global):

Egypt enjoys the diversity of agricultural commodities where Egypt produces annually about 38.5 million tons of vegetables, fruits and grains and exported 6.5 million tons in 2022, 32 million tons are consumed in the domestic market, which is one of the largest markets in the Middle East and the Egyptian market enjoys a high combined purchasing power of about 1.3 trillion dollars annually and where Egyptians spent 2.3 trillion pounds on food in 2022, equivalent to 31% of the household spending, annual spending.

Egypt imported 22.3 million tons in 2022 compared to 21.2 million tons in 2021.

Egyptians spend 19.8% of the income on the vegetable and 7.1% of the income on the fruits.

Egypt is one of the main players in international trade regarding agricultural crops, not only Egypt is one of the biggest exporters of oranges, potatoes, strawberries, frozen strawberries and vegetable oils worldwide, but also Egypt's exports processed vegetables, fruits which it reach 5.21 billion dollars in 2022 and represent 10% of the total value of Egyptian exports to the world.



**Exported vegetable crops:**

Unit: US Dollar thousand

Product label	Exported value in 2017	Exported value in 2018	Exported value in 2019	Exported value in 2020	Exported value in 2021
Potatoes, fresh or chilled	272,144	206,914	266,263	221,948	200,201
Dried leguminous vegetables, shelled, whether or not skinned or split	136,356	158,735	111,539	141,354	195,472
Vegetables, uncooked or cooked by steaming or boiling in water, frozen	153,748	154,471	164,620	182,580	191,320
Onions, shallots, garlic, leeks and other alliaceous vegetables	235,189	131,138	273,974	213,376	166,620
Dried vegetables, whole, cut, sliced, broken or in powder	48,450	44,173	45,584	52,701	66,260
Roots and tubers of manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes	18,661	24,788	49,769	47,251	55,734
Vegetables provisionally preserved	55,894	54,289	46,649	42,105	52,825
Leguminous vegetables, shelled or unshelled, fresh or chilled	46,165	38,606	36,278	38,959	43,487
"Other vegetables, fresh or chilled (excluding potatoes, tomatoes, alliaceous vegetables, edible ...	44,349	26,719	35,300	28,270	33,286
Tomatoes, fresh or chilled	32,202	41,518	49,006	40,415	25,746
"Lettuce ""Lactuca sativa"" and chicory ""Cichorium spp."" , fresh or chilled"	18,337	14,570	16,712	15,849	20,019
Carrots, turnips, salad beetroot, salsify, celeriac, radishes	4,112	9,506	7,624	3,098	9,153
Cabbages, cauliflowers, kohlrabi, kale	3,706	5,283	5,947	5,541	5,963
Cucumbers and gherkins, fresh or chilled	935	528	257	411	1,123

**Exported fruit crops:**

Unit: US Dollar thousand

Product label	Exported value in 2017	Exported value in 2018	Exported value in 2019	Exported value in 2020	Exported value in 2021
Citrus fruit, fresh or dried	635,461	769,762	754,000	802,443	854,966
Grapes, fresh or dried	237,635	221,935	235,450	236,196	254,562
Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen	69,268	121,680	155,507	157,427	246,809
"Fresh strawberries, raspberries, blackberries, back, white or red	187,893	152,056	159,886	145,129	181,770
Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried	84,825	81,585	83,324	87,549	103,480
Apricots, cherries, peaches incl. nectarines, plums and sloes, fresh	21,749	14,860	16,997	14,322	9,789
Melons, incl. watermelons, and papaws (papayas), fresh	21,402	11,566	6,274	5,836	5,153
Bananas, incl. plantains, fresh or dried	19,763	22,909	12,674	3,181	1,791
"Dried apricots, prunes, apples, peaches, pears, papaws ""papayas"", tamarinds	392	345	533	1,431	1,676
Apples, pears and quinces, fresh	2,971	138	577	462	412
Other nuts, fresh or dried, whether or not shelled or peeled	232	299	414	58	326
Peel of citrus fruit or melons, incl. watermelons, fresh, frozen, dried	270	164	106	75	131
Fruit and nuts, provisionally preserved,	48	13	103	13	45
Coconuts, Brazil nuts and cashew nuts, fresh or dried	13	93	24	0	32

**Exported processed food products:**

Unit: US Dollar thousand

Product label	Exported value in 2017	Exported value in 2018	Exported value in 2019	Exported value in 2020	Exported value in 2021
Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen	101,710	102,670	96,768	122,473	129,771
Fruit juices, incl. grape must, and vegetable juices, unfermented, not containing added spirit	108,026	132,525	97,961	73,347	93,344
Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar	53,141	58,086	57,762	59,117	63,232
Vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen	54,851	45,373	67,240	45,023	59,265
Tomatoes, prepared or preserved otherwise than by vinegar or acetic acid	7,217	10,734	10,579	12,819	37,414
Fruits, nuts and other edible parts of plants, prepared or preserved	48,353	44,422	49,868	29,359	34,565
Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking	29,467	29,029	29,772	28,509	26,632
"Vegetables, fruit, nuts, fruit-peel and other edible parts of plants, preserved by sugar	1,250	2,224	2,738	2,823	3,615



## 7. Investment opportunities:

**There are 77 investment opportunities in agriculture sector as follow:**

### 1- 13 investment opportunities in Marsa Matrouh (Al Moghra Area).

**Opportunity description:** A promising opportunity for establishing an integrated agricultural project (agricultural/industrial/animal-fish) at special prices and all facilities in the Al-Maghra area in Marsa Matrouh Governorate.

#### a) Targeted Crops:

1. Winter crops/ vegetables: wheat, barley, quinoa, fodder beet, tomato, canola, corn, cauliflower, beet.
2. Summer crops/vegetables: sunflower, sorghum, sudanese grass, artichoke, okra.
3. Trees and horticultural crops: date palm, olive, jojoba, pomegranate, fig, jetrova.
4. Windbreaks: Camphor, Casuarine, Cassia, Cypress, Conocarpus.

#### b) Animal and fish production in proportion to the nature of the region and the existing agriculture:

5. Establishment of a complex for the collection, storage and milling of wheat / maize.
6. Packing and packaging of fresh vegetables for export.
7. Establishing a factory for the production of sugar from sugar beets.
8. Establishing a factory for the production of canola oils.
9. Establishing slaughterhouses and factories for meat production.
10. Establishing a complex for collecting and packing dates for export.
11. Establishment of a factory for drying onions.
12. Establishment of a feed and fertilizer factory.
13. Expanding the establishment of algae farms and fish farms (tilapia / shrimp / mullet / lotus / seabass).

### 2- 8 investment opportunities in Siwa with.

**Opportunity description:** A promising opportunity to establish an integrated agricultural project (agricultural / industrial / animal production) in addition to being a privileged location for all ports, infrastructure, payment facilities, competitive prices, and well-equipped lands.

#### Suggested Crops:

1. Winter crops/ vegetables: wheat, barley, fodder beet, tomatoes, onions, garlic, sugar beets.
2. Summer crops/vegetables: sunflower, sorghum, safflower, pepper, eggplant, cowpea



3. Trees and horticultural crops: date palm, olive, pomegranate, fig, fennel, chamomile, cumin, basil, oregano.
4. livestock production, poultry.

**Irrigation:** wells salinity ranges from 1,800-10,000 ppm

The average depth of drilling wells is 250-1000 m.

### 3- 4 investment opportunities in Minya.

**Opportunity description:** A promising opportunity to establish an integrated agricultural project (agricultural/industrial/animal-fish).

#### Targeted Crops:

1. Winter crops/vegetables: wheat, barley, fodder beet, tomato, cauliflower, onion, garlic, cantaloupe, beans, sugar beet.
2. Summer crops/vegetables: sunflower, sorghum, safflower, pepper, eggplant, cowpea, groundnut.
3. Trees and horticultural crops: date palm, olive, pomegranate, fig, mango, guava, chamomile fennel, cumin, caraway, basil, oregano.

**Irrigation quality:** Irrigation of wells with salinity degrees ranging from 250 to 3000 parts per million. The case of groundwater irrigation states the salinity ratio: the average depth of drilling wells is 90-750 m. Alkalinity percentage in the soil: varies according to the location of the plot of land. Soil quality: (sandy - clay - yellow). Using solar energy and complying with water rations 1800m<sup>3</sup>/day/well.

### 4- 27 investment opportunities in New Valley.

**Opportunity description:** A promising opportunity to establish an integrated agricultural project (agricultural/industrial/animal) at special prices and all facilities in the Al-Farafra area in Al Wadi Al Gadid Governorate.

#### a) Targeted Crops:

1. Winter crops/vegetables: wheat, barley, fodder beet, fava beans, lentils, chickpeas, tomatoes, onions, garlic, cantaloupe, peppers, cucumbers, potatoes, sugar beets.
2. Summer crops/vegetables: sunflower, sorghum, soybean, eggplant, cowpea, groundnut trees and horticultural crops: date palm, olive, pomegranate, fig, grape, guava, fennel, chamomile, cumin, caraway, nigella, fenugreek, hibiscus.

#### b) Animal production in proportion to the nature of the region and the existing agriculture:

3. Peanut packaging for export.



4. Establishing a factory for the production of mineral water for export.
5. Settling the olive-pressing activity and establishing a large mill.
6. Establishment of a complex for collecting and packing dates for export.
7. Establishment of a plant for drying and packing medicinal plants.
8. Establishment of a factory to manufacture grape juice and dried grapes for export.
9. Sorting, packing and packing fresh potatoes for export.



## 8. The Analysis

This analysis will focus on the report point by point, in an effort to shed light on the overview of the Egyptian agricultural seen. All the data has been obtained from the Egyptian government.

### **-The Egyptian economy:**

Egypt's GDP is forecast to reach 423.54 billion USD by the end of 2023. In the long run, Egypt's GDP is expected to trend around 443.02 billion USD in 2024 and 466.50 billion USD in 2025.

The Devaluation steps and monetary policy have been a major factor in the attraction of the foreign direct investment indicator.

Major infrastructure projects and spending has been a key player in increasing the growth rates and FDI and lowering unemployment rates, which increased opportunities for investment venues.

Gulf countries financial support will help Egypt to reduce the payment balance deficit.

Government companies IPO will attract more FDI which will reflect on the currency shortage conflict.

### **Egypt strategy 2030 for Agricultural sector:**

Strategy objectives pertaining agriculture is obtained through the execution of 37 major projects across the republic. These projects are based on new tech and renovation to maximize benefits.

This strategy is targeted to improve and alleviate the Egyptian farmer, through support (technical and monetary) and to improve life quality for them.

Horizontal expansions will specially target coastal areas, to utilize the rainy regions and water desalination units. This land is a move away from the traditional delta agricultural lands.

### **-Related Projects:**

Infrastructure projects (power generation, roads and ports) will help a sustainable and long term growth of the agricultural sector.

### **-Agricultural economic indicators:**

The projects undertaken will put Egypt on a 12.5 million acres mark, through new land reclamation utilizing infrastructure projects. This will increase the volume and quality of agri- produce. Also that will increase the agriculture share in Egypt's GDP, a substantial increase in export of agri-products.

### **-Agricultural area:**

Upon finalizing those projects it is expected to have total crop area of 23 million acres.

### **-Key Players:**

The vast network of agricultural banks and coops will help the efforts of reaching the expanse of land and farmers.



### **State efforts:**

Through the use of technology (smart cards) will ease the reach to farmers and loans across the nation. Those loans will expedite the process of increasing the quality and crop variations.

### **The Agricultural machinery:**

The ratio of machinery to land is considered to be adequate, though the government is working on revamping the older generation machines to decrease the fuel consumption, co2 emission and decrease the cost of maintenance.

### **Fertilizers and pesticides:**

Fertilizer production in Egypt is strong enough to secure the demand of the new land reclamation projects.

Pesticides ratio to land in Egypt is considered one of the lowest worldwide, Egypt plans to decrease it by 50% by the 2021. This will help in focusing more on organic and pesticide free agriculture. It will also increase the opportunity to export to large nations such as China USA and Europe.

### **Climate Change:**

The nations plan on use of new and improved irrigation systems plus the increasing of green houses will limit the effect of climate change.

### **Irrigation:**

Expansion and improvement of irrigation systems (artificial lakes, water treatment and desalination plants) will decrease the loss of water and increasing the efficiency of available water.

### **Market:**

On the nation front, increase of produce will help the food security of the country; Reduces the inflation rates on agriproducts price which will have a higher demand and investment in food processing industry.

Globally, Egypt will increase its export opportunities to more than 150 destinations worldwide, which will attract FDI in this vital sector.

## **9. Conclusion:**

Egypt has been going a major transformation on many levels. Whether it's infrastructure in roads, transportation, ports, power. Or in spreading its expanse on more land in form of cities and cultivation, upgrading irrigation and utilizing new technologies to increase efficiency. Egypt's strategy is clear, to achieve food security and to become a major player in the commodity trade markets of the world. In the short term and long term this is a nation worth investing into.



**Sources:**

- World Bank
- IMF
- Capmas Egypt
- Ministry of Agriculture
- ITC
- Think Tank Egypt data bank