

Egypt's Production of Coarse Grains, Oilseeds, and Oilseed Meals

Coarse Grain Production Expands

Egypt's total coarse grain production, including corn, sorghum, barley, and rye, increased from 3.98 million tons in 1980 to 5.59 million tons in 1990 and to 7.54 million tons in 2000 (fig.15). Corn production grew from 4.80 million tons in 1990 to 6.47 million tons in 2000, accounting for 85.9 percent of Egypt's total coarse grain production (table 11). Ninety-seven percent of Egypt's corn production consisted of white corn, which is less preferred for poultry feed than yellow corn. In 1973, yellow corn was imported for the first time into Egypt and paid for by the government in foreign exchange. This marked the true start of the poultry industry in Egypt. Imported yellow corn was then distributed mainly to a few public sector poultry companies at heavily subsidized prices. White corn was largely produced for human consumption, but increasing incomes have spurred a shift away from white corn to wheat and rice. Consequently, there has been a substantial increase in the proportion of white corn fed to livestock. During the 1990s, unofficial estimates indicate that the share of corn used as feed increased from 53 to 79 percent of total corn supplies [9, 11, 18, and 25].

Sorghum production, ranked second, increased from 629,600 tons in 1990 to 941,200 tons in 2000. However, barley production, the third-ranking coarse grain crop, decreased from 142,000 to 99,400 tons during the 1990-2000 period. Sorghum and barley continue to be mostly fed to animals. Rye production, new in Egypt, rose from 16,500 tons in 1990 to 26,000 tons in 2000.

Oilseed Production Shrinks

Despite strong demand for oilseeds in Egypt, production actually decreased from 996,600 tons in 1990 to 636,800 in 2000, falling at a rate of 4.23 percent annually over the 1990s. In 2000, over 89 percent of oilseed output consisted of cottonseed, 4.7 percent linseed, 4.3 percent sunflower seed, and only 1.7 percent soybeans. Over the 1980s and 1990s, cottonseed production declined sharply, due mainly to substitution of other field crops for cotton (fig. 16a). Likewise, Egypt's production of sunflower seed dropped from 30,900 to 27,500 tons over the 1990s, due to inefficient crushing facilities. However, the largest decrease of all oilseed production was in soybeans, which plummeted by over 90 percent to only 10,500 tons, an annual decline of 19 percent during the 1990s.

Farmers consider current soybean yields too low to compete with other crops for the use of land [6]. Soybeans were introduced into Egypt in 1972 and first planted on 1,193 hectares (ha) with yields averaging only 1.136 tons/ha. Cultivated acreage increased steadily to a maximum of 61,000 ha in 1983 and yields more than doubled. In 2000, Egypt's soybean yield of 2.72 tons/ha (due to irrigation) was much higher than the world average of 2.18 tons/ha. It was also slightly higher than yields in the United States (2.56 tons/ha), Argentina (2.34 tons/ha), Brazil (2.4 tons/ha), and Canada (2.55 tons/ha), but lower than the EU (3.27 tons/ha) [42].

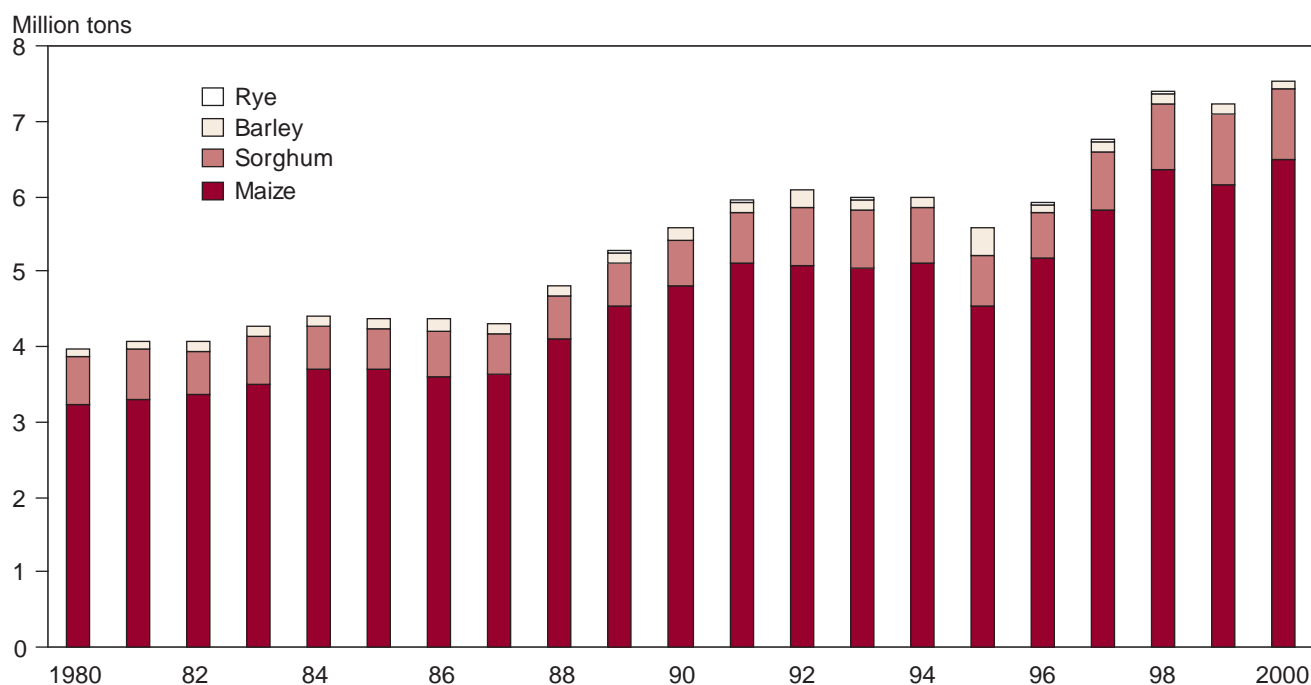
Oilseed Meal Production Rebounding

Total production of oilseed meals decreased sharply from 503,300 tons in 1980 to 271,300 tons in 1990, but then increased to 354,000 tons in 2000 (fig.16b). Production of cottonseed meal has ranked first in Egypt for many decades simply because it was a byproduct of cotton, Egypt's largest export crop. However, following the liberalization of cropland allocation and price policies, the area planted to cotton decreased sharply, as did cottonseed and meal production. Cottonseed meal production decreased from 422,000 tons in 1980 to 109,600 tons in 2000 and its share dropped from 74 percent to only 31 percent of Egypt's total oilseed meal production. The decrease in production of cottonseed meal, used to feed large and small farm animals, caused severe shortages in the availability of meal in Egypt and resulted in rising demand for soybean meal as a substitute.

During 1980-2000, demand for soybean meal was greater than all other oilseed meals in Egypt, prompting an increase in milling from 70,400 tons to 174,400 tons. Expansion of commercial poultry operations increased the demand for soybean meal, which was first imported. Import substitution rose with the establishment of private soybean-crushing facilities that depend mostly on soybean imports. In 1999, for the first time, soybean meal production exceeded cottonseed meal in Egypt. Soybean meal prices are much higher than cottonseed meal, because only soybean meals are suitable for feeding poultry stocks.

Egypt's other meal production came from linseeds, which made up nearly 8.3 percent of total production in 2000, and sunflower meal (3 percent) (table 11).

Figure 15

Egypt's total production of coarse grains, 1980-2000

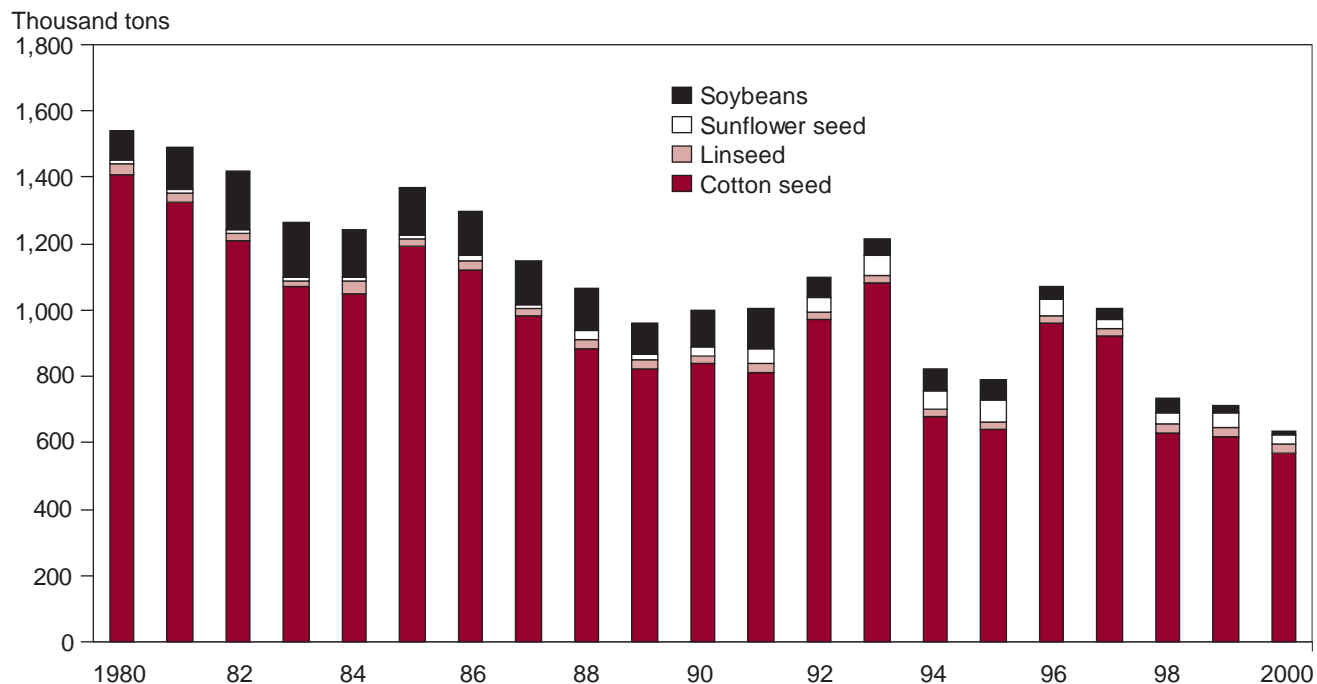
Source: Economic Research Service/USDA.

Table 11—Egypt's coarse grain, oilseeds, oilseed meal production, and annual growth rates, 1980-2000

Commodity	Production			Production share in 2000	Annual growth rate	
	1980	1990	2000		1980s	1990s
	1,000 tons				Percent	
Coarse grains						
Barley	107	142	99.4	1.3	2.67	-3.25
Corn	3,231.1	4,798.6	6,474.5	85.9	3.52	2.90
Rye	0	16.5	26.0	0.3	0.31	6.17
Sorghum	643	629.6	941.2	12.5	-0.68	3.32
Total coarse grains	3,981.0	5,586.8	7,541.0	100	2.95	2.83
Oilseeds						
Seed cotton	1,408.30	838	568.8	89.3	-5.07	-3.95
Linseed	34.0	21.0	30.0	4.7	-0.65	2.72
Soybeans	92.4	106.7	10.5	1.7	-1.92	-18.99
Sunflower seed	9.2	30.9	27.5	4.3	10.73	-2.64
Total oilseeds	1,543.9	996.6	636.8	100	-4.44	-4.23
Oilseed meals						
Cottonseed meal	422	172.7	109.6	31.0	-9.89	-4.02
Linseed meal	7.6	13.2	29.5	8.3	5.62	7.00
Soybean meal	70.4	72	174.4	49.3	3.66	8.58
Sunflower meal	3.3	13.4	10.5	3.0	11.51	-3.61
Others	0	0	30.0	8.5	0	1.20
Total oilseed meals	503.3	271.3	354	100	-5.77	2.13
Total	6,028.2	6,854.7	8,531.8			

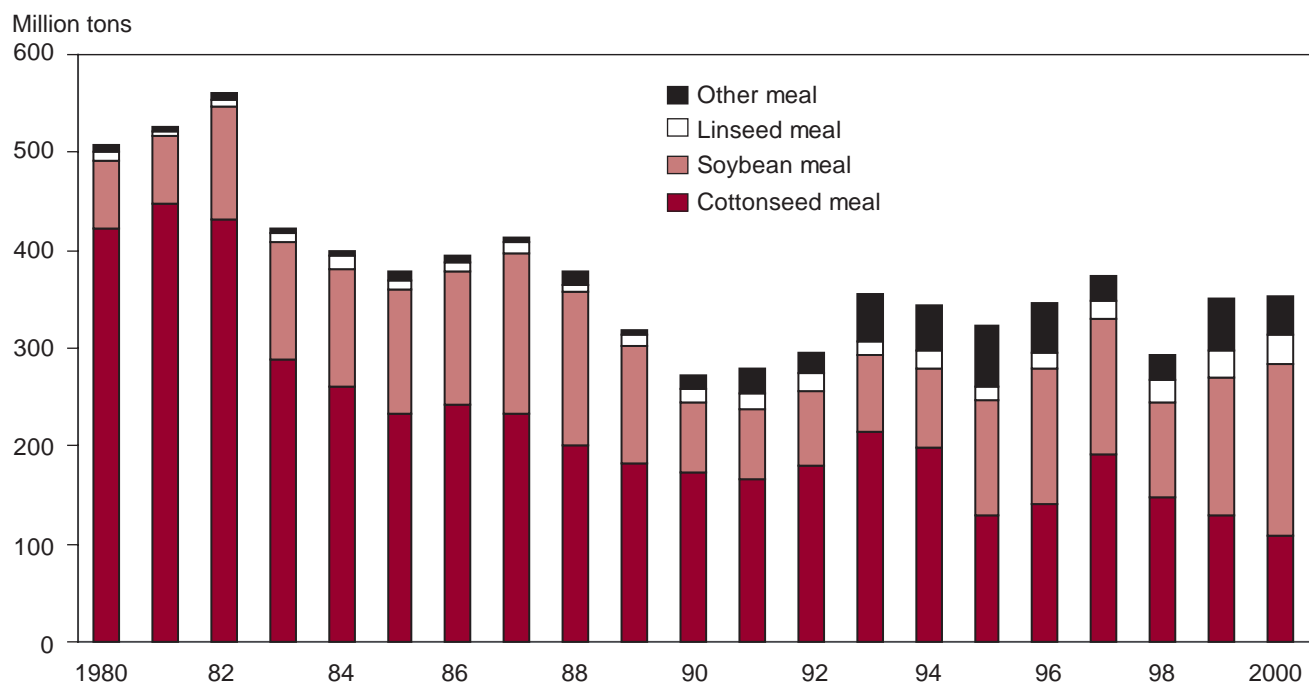
Source: FAO Data, <http://faostat.fao.org/> August 2002

Figure 16a
Egypt's total oilseed production, 1980-2000



Source: Economic Research Service/USDA.

Figure 16b
Egypt's total production of oilseed meals, 1980-2000



Source: Economic Research Service/USDA.