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Agriculture, fishery, food and sustainable rural development in the Mediterranean region

Annual report 2005

Egypt

Dr. Mahmoud Mansour ABD EL-FATTAH,
El Azhar University, College of Agriculture, Cairo

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1.1 - Introduction

Egypt has continued to adopt its policies towards more integration into the international economy. In this respect, we could trace the following economic events:

➢ First: finalizing the ratification of The Egy-Euro Partnership Agreement which will come into force in 01.06.04.

This agreement covers all aspect of relationship between Egypt and the European Union in the political, economic and cultural fields. In terms of the economic field, the agreement shall:

- Furnish the circumstance for continuous liberalization of trade in the commodities, the services and the capitals as well as creating a free trade area for Egypt and the European Union.
- All the industrial commodities of Egyptian origin enjoy full exemption of the customs duties, taxes and all restrictions and shares when exported to The European Union.
- For the exports of agricultural commodities, the agreement provides an increase in the number of commodities exempted from custom duties when they enter the Union's markets. This increase amounts from 25 to 108 commodities. Moreover, it provides a great increase in the number of shares enjoying exemption of custom duties (the amount of increase in the shares of different commodities ranges between 18% and 247%). The agreement, also, provides a decrease with an amount between 50% and 60% in the custom duties on the exports which exceed the shares.

➢ Second: signing the agreement of Qualifying Industrial Zones (QUIZA/USA). This agreement, which was signed by the beginnings of June 2004, states the exemption of any Egyptian exports to the USA of any custom duties and from the shares system, provided that the production of these exports has been done in limited industrial zones inside The Arab Republic of Egypt (A.R.E). The results of this agreement will be clearly evident after the first of January 2005 (the deadline for the implementation of GAAT) where The American markets shall be open for international competition without distinguishing between the exporting countries with custom duties from 16% to 35% for the industry of garments and cloths. It is anticipated that the Egyptian exports of garments and cloths to the USA shall increase to reach 2 billion $ after signing that agreement.

➢ Third: proceeding to finish the preliminary phase to implement the great AFTA (Arab Free Trade Area) agreement in order to come into force by the beginning of

2005 (rather than 2007). This agreement shall free the trade of Arab-origin commodities among the Arab countries..

Furthermore, we can illustrate the most important developments which faced the Egyptian economy in general as follows.

The local currency continued to suffer the pressures which lead to the continuous decrease of its value all through 2003. The exchange rate of the Egyptian pound decreased from about 0,21 $ by the beginning of 2003 to reach 0,16 $ by the end of 2003. In this sense, the Egyptian pound lost about 25% of its value against the US Dollar. In addition, the value of the Egyptian pound declined against the Euro from 0,2 € by the beginning of 2003 to reach 0,12 € by the end of the year. In this sense, the Egyptian pound lost about 37,4% of its value against the Euro. This, in the first degree, led to an increase in the value of the imports and increase of their prices inside, especially the prices of food. Data point out that the record number of the wholesale prices of the food commodities has increased from 500,3 in 2001 to 631,7 in 2003 (The Appendices 13 & 14).

The Egyptian economy was affected by the war on Iraq in 2003 as follows.

- The free trade agreement with Iraq, which would allow the exportation of Egyptian commodities of about 2 billion $ to Iraq, was crippled.
- The size of remittances of the labors from Iraq has decreased. Thus, Egypt lost about 400 million $.

On the other hand, due to the war on Iraq, there were some results such as:

- The income of the Suez Canal has increased with a percentage of 33% during the same year to reach about 2,058 as a result of the intense passing of the military chunks heading to the military operations area.
- The number of tourists has increased this year to reach about 6 million tourist.

The Egyptian private sector was able to obtain contracts to establish a cellular network in the middle part of Iraq as well as a T.V. station.

On 03.05.04, Egypt and USA signed an agreement by virtue of which Egypt gets 300 million $ as aid from the USA to compensate the losses of the Egyptian economy which resulted due to the war on Iraq.

1.2 - The Macro-Economic Indicators

Hereafter, Table 1 summarizes the developments of the most important indicators of the total economy during the period 2000-2003. It is evident that most of the indicators move towards decline during the study period. For instance, the GDP growth rate as well as the foreign investment, rates of investment, local saving, and the Public Budget are suffering decrease in their rates of development. Moreover, the rate of unemployment is remarkably increasing. The data also indicates a

retreat in the rates of foreign investment flows during the period of study. Thus, studies indicate that the improvement in the balance of trade is mostly due to the retreat in the importation of investment and intermediary commodities.

Table 1 - Main Economic Indicators.

	Items	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004**
1.	Employment (number in million)	17,4	18,0	19,7	18,2	
2.	Unemployment rate %	7,9	8,4	9,0	9,9	
3.	GDP at factor cost (at current prices (LE.bn).	316,4	338,6	363,1	374,5	
	Agricultural (LE.bn).	52,8	56,9	60,9	61,6	
4.	Total national investment (LE.bn).	67	66	68	68	
5.	National investment/ GDP%	19,6	18,3	17,8	16,4	
6.	Average annual inflation rate%	2,8	2,4	2,4	3,2	
7.	Trade balance (US $ mn).	-11472,3	-9363,1	-7516,5	-6573,8	-1626,7
8.	L.E. exchange rate against US $ (Egyptian Piaster P.T.)	344,6	387,0	452	603,3	612,6
9.	Tourist revenues (US $ mn).	4313,8	4316,9	3422,8	3796,4	1632,7
10.	Foreign investment (US $ mn).	1656,1	509,4	428,2	891,9*	

Source: National Bank of Egypt – Economic Bulletin – Issue 4 – Vol.56 – 2003 – Cairo.
* This figure includes an amount of 350 million $ the value of selling two companies of the public sector to foreign institutes within the program of privatization. ** Tentative.

The same period has witnessed some recession in the proportional shares of the economic sectors which generate the GDP, as illustrated in Table 2 as follows.

Table 2 - The Share of The Major Sectors in the GDP 2000/2001-2002/2003.

Indicator	2000/2001	2001/2002	2002/2003
Agriculture	16,5	16,8	16,8
Industry, constructions & electricity	25	24,1	25,4
Oil & its products	8,7	7,6	7,6
Others	49,8	50,2	50,2

Source: Ministry of Planning – Socio-Economic Development Plan (2002-2007).
CAPMAS (Central Agency for Public Mobilization And Statistics) – Annual Statistic Book, successive issues.

1.3 - Agricultural Sector & National Economy

The agricultural sector continued to play a vital role in the Egyptian economy. It stands for a large proportional importance amongst the other sectors as indicators in table 3 show. This sector contributes with about 16,7 of the GDP, and about 27% of the total labor work in it. Its ratio of investments to the total investments is about 14,1%. Furthermore, more than half the raw exports are agricultural ones.

Table 3 - Percentage of The Agricultural Contribution to The National Economy 2000/2001-2002/2003.

Indicator	2000/2001	2001/2002	2002/2003
Labor	29	27,7	26,9
GDP	16,5	16,8	16,8
Investments	14,4	13	14,1
Raw exports	63,6	47,5	47,6

Source: National Bank of Egypt– Economic Bulletin – successive issues.

The agricultural sector achieves a growth rate the average of which reached about 3,6% during the period 2000/2001 to 2002/2003. In the recent period, this rate is characterized by stability despite the changes and turnings faced by the growth rate of the whole national economy.

Table 4 - Growth Rate of The GDP and The Agricultural Sector.

Years	GDP	Agriculture
2000/2001	3,4	3,6
2001/2002	3,2	3,6
2002/2003	3,1	2,8

Source: National Bank of Egypt – Economic Bulletin – successive issues.

2 *Agricultural Resources & Agricultural Production*

2.1 - Land Resources

During the period 1999/2000 – 2002/2003 the area of agricultural lands has increased in modest amounts which did not exceed 0,3 million feddans where that area increased from 7,8 million feddans in 1999/2000 to 8,1 million feddans in 2002/2003.

As the population rates and agricultural labor force increase in a way that exceeds the rates of increase of the land resources, meanwhile, the per capita and the agricultural labor's share of the agricultural area continue to decrease in the manner indicated in table 4 where the per capita did not exceed 0,12 of the feddan and the agricultural labor's share did not exceed 1,55 of the feddan in the year 2002/2003. This disparity between the population growth rates and the amount of expansion in the agricultural areas explains, to a great deal, the increase of unemployment rates, the disguised unemployment especially in the Egyptian rural areas. It also explains the continuous division of the agricultural possessions as a result of the inheritance system which is prevalent in the Egyptian rural area.

Table 5/a - Land and Human Resources in the Egyptian Agriculture.

Resource	1999/2000	2000/2001	2001/2002	2002/2003
Number of population (in million)	62,6	63,9	65,3	67,3
Total labor	17,4	17,9	17,9	18,2
Agricultural labor (in million) In %	4,9 28,6	5,06 28	5,1 28,7	5,2 28,6
Cultivated area (in million feddan)	7,8	8,9	8,2	8,1
Average per capita in agricultural land	0,1246	0,1236	0,1256	0,120
Average share of agricultural labor in agricultural land	1,56	1,56	1,60	1,558

Source: CAPMAS –Statistical Year Book, successive issues.

During the last period, the efforts exerted by The Government and The Private Sector, to increase the cultivated area though the horizontal expansion in the desert lands, have modest results. It is worth mentioning that during the period 99/2000 – 2002/2003 the reclaimed area has reached about 81,4 thousand feddans (33,9 thousand hectare). Table 5 hereafter points out the annual expansion in this area and the record number of such expansion. It shows the extent of swinging

from one year to another which stands for failure to achieve the objectives sought by society in the pursuit of balance between the land and human resources.

Table 5/b - Horizontal Expansion in Egyptian Agriculture.

Year	Reclaimed area (in thousand feddan	Index (1999/2000 = 100)
1999/2000	22	100
2000/2001	12,7	57,8
2001/2002	28,7	130,5
2002/2003	18	81,8

Source: CAPMAS – Statistical Year Book, successive issues.

This perception seems more clear if we take into consideration the fact that the average area which was be reclaimed annually through the years 1992-1997 has reached about 92 thousand feddan compared to 22, 12.7, 28,7, 18 thousand feddan during the years of the study.

In addition to the slow rates of horizontal expansion in the agricultural lands, the population increase in the rural areas and the urban expansion have led to an increasing use of the agricultural lands in increasing rates from year to year. As there are no alternatives, despite the governmental efforts to stop such expansion (depending basically on the Police efforts) this expansion shall continue from year to year threatening the areas of fertile lands (in the Nile valley and delta), which are used in agricultural production, and turning them into residential areas.

Moreover, in addition to that quantitative shortage in the area of good agricultural lands, these lands still face risks of other kinds which lead to a qualitative waste of these lands. This results in the decrease of the economic outcome of these lands. These risks include:

- Expansion in using drainage water which contains high percentages of salts and other components after being blend with fresh water to irrigate large areas of lands. It is anticipated that after finishing the huge project known as “Toshka Project” in South Egypt, the total amount of drainage water which would be used to blend with the Nile water would reach 12 billion m^3, i.e. about 18% of the total amount of water used to irrigate the agricultural lands in the north parts of Egypt. Certainly this degree of expansion in using the drainage water shall decrease the quality of the agricultural soil in large areas of Egypt, especially in the north areas of the Nile Delta.
- The absence of legislation, which sets a minimum limit of the farm size in the Egyptian agriculture, leads to more disintegration and contraction for these areas and deprive it of benefiting of the achievement of agricultural technology.

2.2 - Water Resources

Efforts have continued to increase the ability to benefit of the limited water resources to face the increasing needs whether for irrigation or civil and industrial uses. The official authorities work on a number of axes to increase the ability to benefit of this limited resource. The first axis is a package of rationalization and improvement operations especially for irrigation and agricultural drainage. The water users associations (NGOs) play a major role in this field as they have an important part (in a large area of the agricultural lands) in organizing the irrigation shifts, decreasing the loss during irrigation, maintenance of canals and water transport machinery.

The second axis is related to modifying the crop components and expansion in cultivating the crops and species which need little water and bear drought more than others. This also includes the crops which need a short period for growth to replace the crops and species that consume much of the irrigation water. One of the most important programs in that field is replacing new species of rice and sugarcane (which are highly consumptive of water resources) characterized by a short period of growth and ripeness, and consequently a short need for irrigation water.

The third axis is the expansion in using drainage water after blending its with fresh water in percentages which enable it to be fit for re-irrigation. Some studies point out that in future about 12 billion m^3 of the agricultural drainage water could be re-used to meet the needs of the irrigation water. Now, as illustrated in table 6, about 5 billion m^3 of this water is used. Furthermore, portion of the industrial drainage water is used after its treatment and after decreasing the ratio of pollution in it to the least possible degree. The data in table 6 show that this percentage does not exceed 0.2 billion m^3.

The fourth axis includes the development and improvement of the methods of benefiting of the groundwater (the shallow and the deep water) and, accordingly, to increase the amount of its utilization after estimating its genuine size. Currently, more than 5 million m3 of this water is used in the desert places in North and South Egypt.

In spite of these efforts, the population increment which reaches about 2% annually, the increasing rates of urbanization and industrialization, all this leads to an increase in the water needs. This shall result in a constant decrease of the per capita share of water. Studies show that in Egypt, the per capita share of water became less than 1000 m3/ year and that Egypt will be included among the countries suffering poverty of water unless it develops its water resources and improve its usage.

Though the Egyptian water sources are limited, they suffer a number of dangers which affect their availability in terms of quantity and quality. For instance, the Nile water is subject to different kinds of pollution which worsen its quality. The major sources of pollution are.

- The high percentage of poisonous chemical elements in the agricultural drainage water due to excessive use of chemical fertilizers and insecticides.
- The wastes of drainage and industry in villages, cities and factories which deflate its water directly in the Nile and the major canals.

The negative impacts of this pollution are great because it decreases the possibility of re-utilizing the drainage water in irrigating agricultural lands.

In addition to the dangers of environmental nature which face the Nile water, there are some political dangers which started to increase clearly for the last recent years. These dangers are due to the attempts of some countries of the riverhead to re-organize the rights of the countries of the river mouth. Some of these countries established huge irrigation and electricity projects to increase the amount they use of the Nile water. This might affect Egypt's share of water.

Table 6 -Total Water Resources and Needs of The Consumer Sectors.

Resources (billion m^3)		Needs (billion m^3)	
Source	Quantity	User Sector	Quantity
Nile water	55,5	Agriculture	53,1
Re-use of agriculture drainage water	4,5	Industry	7,5
Treated drainage water	0,7	Drinking and civil usage	4,5
Shallow groundwater	4,8		
Deep groundwater	0,6		
Total	66,1	Total	65,1

2.3 - Agricultural Labor

The number of agricultural labor has averagely reached 5 million workers during the period of study. The ratio of the agricultural labor against the total labor tends to reach a relative stability during the last years, as this percentage did not exceed 28% except with simple decimal points. Despite this positive tendency, the total number attributed to the cultivated land's area is still high when compared to the situation in the advanced agricultures. This situation points out a high degree of disguised unemployment. This situation is explained in terms of the limited work opportunities available to the new comers (in rural areas) to the labor market as well as the rising technological contents at the expense of the human one. This situation, in fact, results from the humble governmental investments allocated for the rural sector in general and agriculture in particular, as well as the humble private and cooperative investment funds as well as using high technological content.

These situations explain the low development rate of the agricultural worker's productivity during the study period as this rate did not exceed 3.8% during the years 1999/2000 – 2001/2002.

Table 7 - Number of Employees in the National Economy and in the Agricultural Sector and their Productivity throughout 1998/1999-2002/2003.

Years	Total Employees (in 1000)	Agricultural Employees (in 1000)	Agricultural Employees% Total Employees	Agricultural GDP in L.E. Million	Productivity In L.E.
1999/2000	17419	4985	28,6	46400	9308
2000/2001	17984	5069	28,2	47900	9450
2001/2002	17950	5119	28,5	49500	9670
2002/2003*	18179	5153	28,3	60330	11707

* based on the 2001/2002 prices.
Source: CAPMAS resource center.

3 Agricultural Policies

The government continued to apply and implement its agricultural policy on the different axes of development for that sector in the sense stated in The Country Paper of 2003. In the following part, we will try to follow the developments in the major aspects of these policies.

3.1 - Investment Policy

During the period of study, the agricultural sector's portion of investments waves between 11,03% in the year 1997/98, 17,3% in the year 1999/2000 and reached about 10 billion L.E. in the last year 2002/2003, i.e. about 14,7% of the total national investments in this year.

Table 8 - Total Investment and Agricultural Investment (1998/1999-2002/2003) in L.E Million.

Year	Total Investment	Agricultural Investment	Agricultural Investment.% Total Investment
1998/1999	67587	8226	12,2
1999/2000	67000	11610,3	17,3
2001/2002	68000	11066	16,2
2002/2003	69000	10000	14,7

Source: National Bank of Egypt, Economic Bulletin, Various Issues.

The largest portion of these allocations is being spent on the project of horizontal expansion and construction of the infrastructure of the agricultural sector. This includes reclamation of desert lands, execution of irrigation and drainage projects, establishment of storage and freezing warehouses and their maintenance.

Table 9 - Share of the Public and the Private Sectors in Agricultural Investment in million.

Year	Governmental	%	Private	%	Total
1998/1999	2612	31,8	5614	68.2	8226
1999/2000	3573,6	36	6319,4	64	9893
2000/2001	3620,3	31	7990	69	11610,3
2002/2003	4111,1	41	5903,4	59	10014,5

Source: Ministry of Planning, Economic and Social Development Plan 2001, five years plan (2002-2007).

The year 2002/2003 is considered the first year of the five-years plan for socio-economic development (2002-2007). This plan ultimately aims at reclaiming an area of 1.1 million feddans provided that the private sector shall reclaim about 84% of this area. The reclamation plan shall target areas of South Egypt, the new valley and Sinai with the aim of directing the urbanization and population movement towards these areas.

The plan also targets the continuation of the infra-structure works in an area of 935,5 thousand feddans, the private sector shall implement bout 53.3% of which.

Despite the fact that the country heads increasingly towards depending on the contribution of private investments to achieve the goals of agricultural development, yet, the available data show the decrease of this sector's contribution to the total investments through the recent past years (table 9), where the contribution of the private sector waved during the plan's year from 69% in the year 2000/2001 to 59% in the year 2002/2003 with a clear descending direction.

This could be explained in terms of the huge governmental expense over the infrastructure works (canals, roads, electricity, etc) in desert reclamation areas. This is because the private sector is not able to provide these utilities because the private sector focuses its investments at the post-reclamation operations (after the utilities are presented) and the fields of animal and poultry raising in advanced and specialized farms.

3.2 - Pricing & Subsidizing Policy

The government has considerably continued to cease interfering in the markets of agricultural products and the equipments of agricultural production. For the agricultural products, the government's interference is only concerned with stating its willingness to buy some corps, especially wheat, sugarcane and cotton in prior fixed prices (this is to encourage the farmers expand in planting these crops) or supplying them to the concerned governmental authorities in order to be able after that to control the market of these commodities both inside and outside. This is also applied for the requirements of agricultural production as the governmental role is only restricted to interference in distributing some of these requirements through the channels it controls like the Principal Bank for Development and Agricultural Credit (PBDAC) and its branches in different villages as well as the agricultural cooperatives. This is done in return for fixed prices to ban the monopolization of the private sector for these requirements (most importantly fertilizers) and provide them at the suitable time in a suitable cost for the agricultural producers.

Nevertheless, these procedures in most cases are still not enough to treat the dis-functions which result from the liberalization of the agricultural sector. Thus, the government provides some financial allocations as direct or indirect subsidy for some agricultural commodities and products and some requirements of agricultural production. Hereafter, we shall review the major developments in this field.

3.2.1 - Subsidy of Food Commodities

The government continued to allocate the necessary cash amounts to subsidize the prices of a number of basic food commodities (the most important of which are: wheat, wheat flour, sugar and food oils) so that the consumers shall be enabled to get them in suitable prices convenient to their low income. The government implements the system of "Ration Cards" through which it is possible to deliver shares of food stuffs to the lower income groups of society in fixed prices.

As illustrated in Table 10, the funds allocated for that purpose took a descending direction for the last years, where the amount of this subsidy decreased from about 4.4 billion L.E. in 2000/2001 to about 3,6 billion L.E. in 2002/2003. The percentage of the food subsidy allocations as compared to the total governmental expenditure takes a descending direction during the period of study, as this percentage has decreased from 4,2% in the year 1999/2000 to about 2,9% in the year 2002/2003. this reflects the long-term governmental plan that aims at the gradual discard of the food subsidy.

Table 10 - Percent of Governmental Funds Allocated for Subsidies to the total Governmental spending.

Year	Government Spending in L.E. Million	Subsidy In L.E. million	Percent 2:1
1999/2000	101834	4318	4,2
2000/2001	109069	4435	4,1
2001/2002	113626	4533	3,9
2002/2003	124909	3598	2,9

Source: National Bank of Egypt, The Economic Periodical, successive issues. Ministry of Supply & Internal Trade (unpublished data).

Table 11 - Value of Food Subsidy throughout 2000/2003 in L.E. Million.

	1999/2000		2000/2001		2001/2002		2002/2003	
	Value	%	Value	%	Value	%	Value	%
Bread and wheat *	2861	66,3	2998	67,6	3083,9	68	2836,3	78,8
Sugar	799	18,5	814,7	18,4	839,8	18,5	631,6	17,6
Oil	658	15,2	622,4	14	609,4	13,5	130,2	3,6
Total	4318	100	4435,1	100	4533,1	100	3598,1	100

* This includes subsidy for wheat and maize (both local and imported).
Source: Ministry of Trade and Supply – unpublished data.

As it is clear in table 11, the major percentage of these amounts are allocated to subsidize wheat and flour, where the percentage of this item's allocations in 2002/2003 reached about 78.8% of the total subsidy of the food commodities of that year. Despite that governmental orientation for gradual discard of the subsidy, the intense increase of the prices of food commodities during 2003 (after the national

currency liberalization) which was estimated by about 16% in November 2003[1], has forced the government to expand in the subsidy system another time and use the system of "Ration Cards" to implement the subsidy system in the year 2003/2004 with a cost of 5.6 billion L.E. to subsidize the prices of the mentioned food commodities.

3.2.2 - Subsidy of Production Requirements

As previously mentioned, the government allocates some areas of subsidy for the agricultural producers through.

- Basic Prices System: this includes the prices of some strategic crops (such as wheat, rice, cotton and sugarcane) announced by the government earlier. These are fixed prices which exceed the cost of production as a means of encouraging the producers to continue and expand producing these crops. In this way, the government guarantees abundance in the national production of these crops in order to face the consumer needs and industrialize from local resources. These prices usually reflect the international and local prices movement for these crops. During the period 2000-2003, these prices were as follows (L.E./ Ton):

	2000	2001	2002	2003
Sugarcane	95	95	95	105
Wheat	700	700	700	760
Rice	583	592	671	992
Cotton	2216	2559	2603	3175

- Subsidize the prices of some production requirements as well as the cost of performance of some necessary production services in order to improve production or protect the environment. This targeted subsidy includes: insecticides, improved seeds, organic fertilizers, agricultural lime, sugarcane irrigation grant, combating the cotton epidemics and prices of agricultural interest. As illustrated in table 12, most of the funds allocated to these fields are directed to the fields of combating the cotton epidemics and rates of interest. Its is clear that a great drop has occurred for the funds allocated to support combating the cotton epidemics in the last two years, whereas the funds allocated to support the prices interests have increased during the same period.

[1] Heba Al-Leithy: "The Impact of The Prices of Food on The Standards of Living in A.R.E." - Faculty of Economics & Political Sciences – Cairo 2004.

Table 12 - Development of the Agricultural Subsidies in its various aspects in A.R.E throughout the period (1998/1999 - 2000/2003) (in thousand LE).

Item Year	1998/99	1999/2000	2000/01	2001/02	2002/03
Subsidy for insecticides	105	105	105		
Subsidy for improved seeds	2634,3	4140	2539,5		
Subsidy for bio- fertilizers	60	60	60		
Subsidy for soil improvements	5505,7	4000	5500		
Grant for sugarcane Irrigation	4000	4000	4000		
Subsidy for agricultural extension and maize production	290	290	290		
Subsidy for cotton insecticides	101232,3	52127,6	73858,9	2167	9884
Subsidy for interest rate	0	53000	75000	90021	102283
Total	113827,3	117722,6	161353,4		

Source: PBDAC, Financial and Administrative Affairs Sector, Unpublished data.

3.3 - Financing Policy

The Principal Bank for Development and Agricultural Credit (PBDAC) is considered the main source for financing the agricultural sector in A.R.E. as it provides all kinds of necessary loans for productive purposes. Since launching the liberation policies for the agricultural sector, the bank performs its credit activities applying the commercial basics in dealing with the client farmers. Furthermore, as the government seeks to relieve the burdens of small producers and those who work on reclaiming the desert lands, it continued to subsidize the interest rates on some kinds of short-term loans as well as the loans aimed at reclamation and cultivation of new lands.

The bank provides short and middle term loans according to the kind of activity for which the loan is taken. The bank services cover more than 11 investment activity in the agricultural sector as illustrated in table 13.

The most important features of this policy can be summarized as follows.

3.3.1 - Short-term loans for Plant Production

The term of these loans does not exceed 14 months. Its amount of loan is determined with a maximum amount of 70% of the production cost of the target crop of the loan. The interest rate of these loans is not subsidized as the original loan is reimbursed along with the interest in one lot after harvesting.

3.3.2 - Short-term Investment Loans

These loans are provided to finance the operational costs of various investment activities. The term of these loans does not exceed 14 months, their value is 70% of the investment activity's operational costs and the interest rate reached about 12% at 1996 (a commercial rate) and continued to be as much as it is being fixed in the commercial banks in the following years. In some years, the government interferes to fix an interest rate less than that fixed by the commercial banks in order that the producers could obtain their loans by low interest rate. In this case, the government compensates the PBDAC by the difference between the two rates. The loan term, grace period, number of installments and their due dates are determined according to the financial expectations for the target activity to be funded. Target activities of this kind of loans include animal breeding projects, poultry projects, apiaries, fishery projects, protected agriculture, agriculture inputs trade in addition to small, craft and environmental projects.

During the period of study, the amount of short-term loans has increased for most of the activities except the poultry and fishery activities. The increase of the total short-term loans in the year 2001/2002 has reached 135% more than it was in 1998/1999.

3.3.3 - Middle-term Investment Loans

The term of these loans is more than 14 months to 5 years. They are provided to finance the establishment of agricultural, rural projects and other relevant activities like poultry production projects, hatching laboratories, establishment or renewal of animal production projects, protected agriculture, permanent agriculture, preserving and refrigerating milks, purchasing agricultural equipment and outfits, agricultural manufacturing projects, improving the characteristics of agricultural soil and improving the irrigation system in the Valley and Delta. This results from the different loan value for each of these projects, according to their nature as illustrated hereunder:

Project	Loan Value
Purchasing agricultural machines and equipment	85% of the equipment's value
Means of transportation	80% of the actual cost
Environmental, craft and professional projects	70% of the actual cost

Furthermore, the interest rate on these loans is determined according to the current market interest rates in the time of loan contracting. Moreover, grace periods, number and time of installments are determined according to the cash flows of the meant activity.

Apart from the loans provided for the activities of fishery and agricultural equipment, the value of middle-term loans has increased for most of the activities and reached the highest rate for the protected agriculture loans which reached about 481% in 2001/2002 more than it was in the year 1998/99. The increase in the total middle-term loans amount between these two years was about 113%.

3.3.4 - Long-term Investment Loans for Reclaiming New Lands

The term of these loans is more than 5 years, while the value of each loan is determined as 50% of the actual cost of reclaiming new lands with a maximum that ranges between L.E. 1200-2300 for the one feddan according to the type of agricultural land, the source and the system of its irrigation. These loans are provided with a subsidized interest and the government compensates the PBDAC with the amont of subsidization. These loans are given a grace period of 5 years after which loans are reimbursed in annual payments according to the expected cash flows of the meant project.

Other than the long-term loans targeting the establishing orchards, there is an intense decline for the bank activity in this field especially the fields of land reclamation and irrigation. These two fields were the traditional fields of the bank activities where the amount of loan provided for them has decreased in the years 2001/2002 to reach only 22% and 26,7% (successively for land reclamation and irrigation) less than their value in 1998/1999. Also the total value of these two kinds of loans did not exceed 25% of their value in 1998/1999. This in fact shows that the Principal Bank for Development and Agricultural Credit is withdrawing from the market of agricultural long-term loans and paving the way for the private sector and commercial banks for more participation. This situation has been synchronized by the increase in the relative importance of short-term loans especially those provided for animal production and financing of agricultural operations.

Table 13 - Loan paid for Investing in Different Agricultural Sectors By P.B.D.A.C. *

Purpose of loan	Value of Loans According to Their Periods in L.E. thousand						Index		
	1998/1999			2001/2002			1998/1999 = 100		
	Short	Middle	Long	Short	Middle	Long	Short	Middle	Long
Animal	2255	976		3354,4	1271,5		148	130	
Poultry	165	124		143,6	126,8		86,6	102	
Fish	7	2		4,9	1,3		70	65	
Machinery		292			163			56	
Plants production		12			18,9			127	
Protected agriculture		1,6		8,1	7,1			481	
Land Reclamation			5			1,1			22
Irrigation Systems			9			2,4			26,8
Establishing orchards			1			1,6			180
Agri Operation	2357	681		3002,2	771,9		127	113	
Youth	15	14,5			19,3			131	
Total	4811	2102	15	6513,2	2381,2	5,3	135	113	35

*Source: Principal Bank for Development and Agricultural Credit.

3.4 - Environmental Policy

The policy of Egypt in the filed of protecting and saving the environmental conditions is based on the belief that protection of environment is a basic pillar of sustainable development. The strategic objective of the Egyptian policy in that field is concerned with achieving and activating the concept of continuous development through blending the environmental standards into the developmental policies, programs, plans and projects (which are being implemented). In order to achieve that objective, a number of executive programs are being adopted. The most important of which in the agricultural sector are:

- Program of observing the quality of the Nile's water.
- Program of afforestation and increase of the green areas.
- Program of environment protection and management of natural protectorates.

Furthermore, the Egyptian Ministry of Agriculture has adopted the Program of Integrated Combat. This Program includes developing new kinds in all epidemic self-combat agricultural crops. In this regard, agricultural researches succeeded to provide these species of crops that include cotton, rice, sugarcane, maize and other crops. In addition, it was possible to use bio-combatants to face epidemics by using anti-epidemic viruses. Thus, many projects are currently being implemented for managing the agricultural wastes through transforming them to organic-fertilizers or animal food or using them (after being treated and exposed to transformations) as raw material for many environmental industries.

3.5 - Policies of Dealing with the External World

Egypt is adopting an effective commercial policy which holds the case of increasing the agricultural exports a major national goal vital for facing many other economic problems related to the balance of payments, sector development, unemployment in addition to other problems facing the national economy. Hence, the few recent years have witnessed serious efforts of the technical, legislatives and administrative levels with the aim of providing all possible facilities to increase and diversify the exports and upgrade their quality. Thus, the exports could compete in the international markets. The major efforts in this respect are:

- Issuing many legislations which facilitate the operations of foreign trade and liberating them from the bureaucratic cuffs.
- Providing many exemptions from fees, custom duties and sales taxes, or even paying financial incentives for the exporters in certain cases. This is to encourage the exports of agricultural crops.
- Putting efficient insurance systems for the exports, supporting and developing the industries complementary to export activities (packing, wrapping, sorting, etc).
- Constant linking between the local exporting policies and the requirements of the bilateral and international commercial agreements.

- Developing the institutional environment of the foreign trade sector so that it shall be able to provide the needs of the exporters and importers of information and data on the turnover of commodities in foreign trades. Here, we can trace a number of efforts which could be achieved and are anticipated to have a strong impact for improving Egypt's exporting of agricultural commodities:
  - Creating a fund for developing horticultural export improvements which will provide support for these exports.
  - Finalizing the establishment of the freezing area in Cairo Airport which will decrease the losses of exported vegetables and fruits and, accordingly, renders its prepositional age long. Moreover, the adopted program of air shipment will provide suitable areas for shipping the Egyptian exports in proper time.
  - The Egy-Euro Partnership Agreement will come into force. This will increase the size of agricultural exports.
  - Completing the developmental and agricultural projects in the south valley and Sinai. It is expected that the agricultural export commodities shall continue to be produced to export to the foreign markets.
  - Improving the examination laboratories and systems of exportations supervision. Consequently, this will accelerate the exportation procedures and decrease the percentage of damage.
  - Pursuit for signing commercial agreements with the major importing countries to organize the entrance procedures of the Egyptian agricultural commodities generally or particular commodities to the markets of these countries (Australia, Russia, and others).

4 *Production & Agricultural Income*

The Egyptian agriculture has achieved a positive development during the study period. There was an increase in the productivity for most of the agricultural crops and products. This results from the efforts of horizontal and vertical expansion whether on the part of the government or the private sector. This was an interpretation for a number of the previously mentioned policies.

The figures in table 14 indicate what has been achieved by the sector in increasing the agricultural income in its different fields (vegetal, animal & fishy).

Table 14 - Agricultural Economic Account, Global results. Million local Currencies.

Agricultural and Livestock	2001		2002	
	Value in current prices	Indexes	Value in current prices	Indexes 2001=100
A- final Agricultural output	68747	100	84260	122
Vegetal production	44744	100	48511	108
Animal production	24003	100	29556	123
B- intermediate consumption	21059,7	100	22156	105
C=A-B, Gross value added	47687,3	100	62104	130
D = Subsidies *	161,4	100	221,3	137
E= Taxes*	145,4	100	135,2	92
F= C+D-E, Gross value added at factor costs	47703,3	100	62190,1	131
G = Depreciation	59,3	100	62,2	104
H= F- G, Net value added at factor costs = Agricultural income	47644	100	62138	130
Fisheries	2001		2002	
A- final Agricultural output	5993	100	6188,3	103
B- Intermediate consumption	103,3	100	110,2	107
C=A-B, Gross value added	5889,7	100	6078,1	103
D = Subsidies**	-	-	-	
E= Taxes**	-	-	-	
F= C+D-E, Gross value added at factor costs	5889,7	100	6078	103
G = Depreciation	402,2	100	439	109
H= F- G, Net value added at factor costs = Agricultural income	5487,5	100	5639,1	103

Sources: 1. Ministry of Agriculture and Land Reclamation, Economic Affairs Sector, Income Estimations Periodical, various issues. 2. Ministry of Agriculture and Land Reclamation, The General Authority for Agricultural Budget Fund, Unpublished data. 3. Ministry of Finance, Real Estate Tax Authority, Resource Center, Unpublished data.

** As there are no available data on subsidy, tax and annual depreciation, these assumptions were developed by myself based on the rate of the previous year.

* As for the fishery sector, there is no published data regarding these items.

The results of agricultural production activity, which are illustrated in table 14, have influenced great changes in the rates of self-sufficiency. In other words, this rate has decreased for wheat, flour, maize, beans, fish and sugar. All these are strategic crops for the country's food security. Reaching self-sufficiency of these strategic crops is considered one of the major objectives for agricultural policy. Hence, as illustrated in table 15, there is an improvement in this indicator, especially for maize, potatoes and meat.

Table 15 - The percentage of self-sufficiency for the major food items.

Item	Years		Index
	2001 % of self-sufficiency	2002 % of self-sufficiency	2001=100
Wheat (&flour)	56,6	55,4	97,8
Maize (white & yellow)	57,6	59,4	103,1
Rice	117,7	115,9	98,5
Beans	66,5	60	90,2
Lentil	14		
Potatoes	106,8	111	103,9
Tomatoes	-	100	-
Citrus	-	105,7	-
Red meat (beef & buffalo)	75	79,7	106,3
Poultry	85	100	117,6
Fish	90	87	96,7
Dairy milk	68	76,8	
Fresh eggs	98	100	102
Vegetal oil & animal fats	36	47	-
Sugar (sugarcane & sugar beet)	94	75	80

Source: collected and calculated from: Ministry of Agriculture – Department of Economic Affairs – Food Balance Sheet of the A.R.E – different issues.

5 *Agricultural Foreign Trade*

During the study period, the Egyptian foreign trade of commodities has witnessed positive developments. The value of exports has increased whereas the value of imports has decreased all through the years of study. This lead to the regular retreat of the chronic deficit in the Egyptian Trade Balance as in the year 2002/2003 it represented only 57% of its value in 1999/2000. Moreover, many positive developments for the values of agricultural imports and exports have occurred. In this respect, the value of exports increased from about 300 million $ in 1999/2000 to reach about 538 million $. Also the value of imports decreased during the same period even though the decrease was very little. This resulted in a constant decline in the deficit of the agricultural Trade Balance during the same period. This was in a degree lesser than that of the total trade balance. Accordingly, the deficit percentage of deficit in the agricultural trade balance increased as part of the deficit in the total trade balance as this percentage increased from 11,4% to reach 15,5% during the period of study as illustrated in table 16.

Table 16 - Foreign Trade of Egypt (in US $ mn).

Years	Exports*			Imports			Trade Balance		
	Total	Agri.	Agri/ Total	Total	Agri.	Agri/ Total	Total	Agri.	Agri/ Total
	Million US $		%	Million US $		%	Million US $		%
99/2000	6387,7	300,4	4,7	17860	1610,9	9	-11472,3	-1310,5	11,4
2000/01	7078,2	382,8	5,4	16441,3	1594,5	9,7	-9362,1	-1211,6	12,9
2001/02	7120,8	342,6	4,8	14637,3	1533,6	10,5	-7516,5	-1191	15,9
2002/03	8202,2	538	6,6	14821	1560,8	10,5	-6618,8	-1022,8	15,5

* including exports and imports of free zones.
Source: Annual Time Series, xls from www.cbe.org.eg.

These positive phenomena could be explained in terms of the following factors.

- The active export policy abided by the government for the recent years, especially in the field of agricultural exports, as mentioned before in.
- The constant decrease in the Egyptian pound's exchange rate during that period which led to the increase in the prices of many unimportant imports and, accordingly, ceasing to import them.

For the geographical distribution of the Egyptian commodity trade, it is clear in tables 17 and 18 that the European markets, in first place, and the Asian markets, in the second place, posses the major portion of the Egyptian exports. On the other hand, the share of the Arab countries of exports is decreasing (despite the restless

attempts at expanding the trade with the Arab countries). Finally, the American markets' share remains limited.

Table 17 - Geographical Distribution for the Important Agricultural Exports (%) in 2003.

Group of Countries	Exports %					
	Potatoes	Cotton	Orange	Onion	Rice	Total
Arab countries	16	0,8	0,6	45,7	60,6	18,8
North America	-	8,9	-	0,1	0,7	5,2
Europe	72,7	26	17	21,1	32,7	30
Others	11,3	64,3	77,4	33,1	6,5	46
Total	100	100	100	100	100	100

Source: CAPMAS.

Table 18 - Geographical Distribution for the Important Agricultural Imports % in 2003.

Group of Countries	Imports %				
	Yellow Maize	Wheat	Sugar	Meat	Total
Arab countries	-	5	-	-	2,1
North America	95	43,5	78	99	73,3
Europe	1	22,9	2,2	0,5	10,1
Others	4	28,6	19,8	0,5	14,5
Total	100	100	100	100	100

Source: CAPMAS - CIC

It is also noted that even though the recent years have witnessed the achievement of the Egy-Euro Partnership Agreement, yet, the share of the European countries from the Egyptian exports is decreasing from 34,3% to 34,9% to 30% during the years of study. On the other hand, the share of the other countries (mostly Asian and African countries) increased successively from 33,6% to 40.1% then to 46% during the years of study.

At that point, it is also worth noticing that there is a severe decline in the Egyptian exports of orange and onion to the Arab countries and a sever increase in the exports of these two crops to Asian and African markets during the period of study.

For the imports, it is noticed that the American markets have the major portion of Egyptian imports which increase year after year until reaching about 73,3% of the total Egyptian imports in the last year. The next is Asian and African countries then a number of the European countries with a decreasing percentage. At the last degree, there are the Arab countries with a very humble percentage despite all that

has been explained about the multiple agreements with Euro and Arab countries to increase the size of commodity exchange between their countries and Egypt.

What is very remarkable in the development of Egyptian imports of commodities is the huge leap of the Egyptian imports from the USA of most of the agricultural commodities during the study period, especially sugar and meat which were conventionally imported from Asian markets and mostly from the European ones. Then there was this conversion towards the American markets to become the main source for these two commodities with a percentage of 78% and 99% respectively at the last year ascending from a percentage which did not exceed 1% during the last two years. This lead to a great descending of the share of the Asian countries in Egyptian imports of meat from 96,5% and 99,1% in the year 2001/2002 to be only 0,5% in 2003. This also applies to sugar where the share of the Egyptian countries descended from 68,3% and 90% in the year 2001/2002 to be only 19,8% in 2003.

All this resulted in the decrease of the Asian countries share in the total Egyptian imports from 35,3% and 46,2% in the year 2001/2002 to be only 14,5% in 2003. Meanwhile, the share of the USA increased from 51,9% 44,4% in the year 2001/2002 to become 73,3% in 2003.

6 Food Consumption

The data of table 19 point out some positive changes in the pattern of food consumption in Egypt. For instance, the average per capita of different food commodities has increased for fruits, meat, food oils and dairy, whereas it decreased for vegetables and fish with little rates. Despite being less than the international rates, this increase could be considered a positive indicator of the improvement of the Egyptian citizen's food quality, as these commodities are known for their ability to create energy and build the human body. Meanwhile, the per capita of the starch (grains and potatoes) has decreased despite the increase in the production of these crops. The per capita of sugar has only increased in little amounts especially as these commodities are characterized by their high percent of starch which causes weight increase.

Meanwhile, there are no indicators of the decline of regional or gender disparities in the Egyptian food pattern during the period of study.

Table 19 - Food Consumption Per Capita (1995/2000) in K.g .

Items		2001	2002	Index 2001=100
1.	Cereals	273,2	269,5	98,6
2.	Beans	8,2	10,03	122
3.	Onion	-	14,1	-
4.	Potatoes	21,6	18	83,3
5.	Vegetables	136,6	128,7	94,2
6.	Orange	31,9	15,6	112,2
7.	Fruit	44,9	59,4	132
8.	Red Meat	13,8	24,8	118,7
9.	Chicken	7,1	24,8	-
10	Fish	15,2	12,5	82,2
11.	Milk	58,2	50,2	138,7
12.	Food Oil	9	13,2	137
13.	Margarine Oil	4,7	6	127,7
14.	Sugar	25,9	31,2	103

Sources: CAPMAS – Department of Statistics – published in Al-Ahram Newspaper on June 23, 2004.
Ministry of Agriculture and Land Reclamation - Agriculture & Economic Department, Food Balance Sheet.

7 *Agricultural and Food Industries*

The contribution of the governmental sector to food industries continued to retreat during the study period. The number of units of that sector as well as the value of their production is regularly decreasing during the study period due to the increasing contribution of the private sector year after year. This is basically resulting from the privatization program which is being implemented for the last years, and which includes the privatization of increasing numbers of the public sector's units as well as the absence of new investments for that sector.

As illustrated in table 20, as pointed out in the CAPMAS published statement, the number of the private sector's units has increased from 750 units in 1998/99 to reach 891 units in the year 2000/01, i.e. the number has increased by 19% during the study period. Similarly, the value of production of the private sector's units has increased from 6 700 million L.E. in 1998/99 to reach 11107 million L.E. in 2000/01, i.e. by a percentage of 65,8% during that period, whereas the production of the public sector's units has declined even as it was in scarce rates during the same period.

Table 20 - Development of Food Industries from the Private and Public Sector – (Quantity-Units) – (Value-L.E. Million).

	1999/2000			2000/2001		
	No. of units	Production value	% to production value	No. of units	Production value	% to production value
Governmental and Public Sector	30	11568	56,6	30	12244	52,4
Private Sector	773	8866	43,3	861	11107	47,6
Total	803	20434	100	891	23351	100

Source: CAPMAS – Annual Year Book, successive issues.

Furthermore, the data of table 21 indicate the constant decrease of the relative importance of the different indicators of agricultural industry during the period of study inside the governmental industrial sector and the public sector. In other words, the number and rate of labors, value of production, the value added as well as the number of units have decrease during the study period.

Table 21 - Main Indicators of Agri-Food Industries (AFI), 1999/2000-2001/2002.

Indicators	Units	1999/2000			2001/2002		
		Total Industries	AFI	%	Total Industries	AFI	%
Employment	Worker	443669	59557	13,4	398000	50785	12,8
Production	L.E. million	35064	5594	16	38292	5564	14,5
Value Added	L.E. million	3826,5	749,8	19,6	11602	989	8,5
Salaries	L.E. million	3745,2	331,7	8,9	5016	454	9
Investment	No. of enterprises	749	301	40,2	672	285	42,4

Source: CAPMAS - statistics of The Annual Industrial Production – Public business Sector – successive issues.

The activities of milling, baking, dairy and oils are considered the major activities in the public sector of food industries, even though the suffer the impacts of the privatization program. The value of economic indicators of these industries has decreased year after year (table 17 in appendices). There are no detailed data of the private sector's food industry's activities. Accordingly, we were not able to trace the development of different activities for that sector.

8 Appendixes

Appendix 1 - Equivalent Rates for Measurement Units.

1 Hektar	2,38 Feddan
1 Ardeb (wheat)	150 Kg
1 Ardeb (white maize)	140 kg
1 Ardeb (Beans)	155 kg
1 kintar (cotton)	157,5 kg
1 Ardeb (Peanuts)	75 kg
1 Ardeb (sesame)	120 kg

Appendix 2 - Value of Vegetative Production, Cost of Inputs and Net Income at Current Farm Prices, Value in Million L.E

Value of Vegetal Production		
Item	**2001**	**2002**
Cereal	12328,2	13591,2
Legume	775	793,2
Fibers	2021,7	2062,1
Oil	608,2	609,5
Sugar	1949,4	2110,4
Onion	347,8	413,6
Green Fodders	7730,4	8588,9
Other	1791,4	2044,6
Vegetables	7629,1	8269,9
Fruits	9127,2	9594,2
Aromatic and Medical	435,3	433,4
Total of Vegetal Product	44743,7	48511

Value of Livestock Production		
Item	**2001**	**2002**
Animal Production		
Livestock meat	9060,8	11406,8
Poultry meat	44579	6266,1
Milk	6384,9	7035,1
Table eggs	1347	1922,7
Beehoney & wax	96,9	89,6
Manur	2541	2701,2
Total	27003	29556
Value of Fish Production		
Item	**2001**	**2002**
Mediterranean, Red Sea and Lakes	3244,8	2497,9
Aquaculture	2748,7	2889,6
Total	5993,5	6188,3

Appendix 3 - Evaluation of Animal Production 2001-2002.

Meat	Slaughters (1000 TON)	
	2001	**2002**
Beef	1960	2199
Sheep	2063	2295
Goat	2266	2331
Pork	64	68
Horse	_	_
Poultry	607844	714759
Rabbit	31873	33331
Other	33	
Total	_	
Production (1000 TON)		
	2001	**2002**
Milk	_	
Cow Milk	3831	1997
Sheep Milk		
Goat Milk	123	126
Other	_	
Eggs	271	398
Other	_	

Appendix 4 - Data of Fisheries 2001-2002.

	2001	**2002**	**%**
Fleets (number of fishig vessels) 1000	45		
Production value L.E. Million	5993	6188	
Production 1000 Ton	772	801,5	
Employment (number) 1000	56		
Aquaculture (quantities) 1000 Ton	324,5	376,1	
Fish Farming (quantities) 1000 Ton	18,3	359,1	
Consumption (quantities, value)	_		
Import 1000 Ton	26,1		

* Only 3954 out of this number are mechanical, the rest are manual.

Appendix 5 – Farm Gate Prices 2001-2002.

	Unit	Price ----------LE/T	
		2001	2002
Soft Wheat	Ardeb	105	107,7
Barley	Ardeb	83,9	86,6
Maize	Ardeb	85,8	88
Rice	Ton	592,4	671,9
Potato	Ton	502	508,4
Sugar beet	Ton	110	110
Sunflower	Ton	900	1150
Fourrage	Ton	_	
Lettuce	Ton	_	
Watermelons	Ton	556,8	779,9
Melona	Ton	663	670
Tomatotes	Ton	387	401,4
Pepper	Ton	628,6	460,2
Onion	Ton	252,6	251,5
Oranges	Ton	510,5	756,3
Mandarins	Ton	453,1	779,8
Lemons	Ton	782	657,9
Apples	Ton	1584	1346
Pears	Ton	2011	1954
Peaches	Ton	1426	1435
Apricots	Ton	1752	1459
Almonds	Ton	_	
Bananas	Ton	1272,5	1296,7
Grapes	Ton	1355,5	1210,8
Wine	Ton	_	
Table olives	Ton	_	
Olive oil	Ton	_	
other	Ton	_	
meat	Ton	_	
beef	Ton	12423,5	13735,3
Sheep	Ton	13910	14823,3
Goat	Ton	13953,7	14825,3
Pork	Ton	12210	13096,3
Horse	Ton	_	
Poultry	Ton	5164	4669
Rabbit	Ton	8678,8	9083,5
other	Ton	_	
Milk	Ton	_	
Cow Milk	Ton	1482	1553,9
Sheep Milk	Ton	_	
Goat Milk	Ton	1288	1356,4
Other	Ton	_	
Eggs	Ton	3935,2	4830,9
Other	Ton	_	

Agricultural Price = Value of Total Production / Production.

Appendix 6 – Value of Main Inputs 2001/2002.

Plant Production Inputs	Unit E.L.	Price ---------LE/T	
		2001	**2002**
Field Crops, seeds		1048,9	1144,8
Vegetable Crops, seeds		496	533,5
Med & Aromatic crops, seeds		5,5	5,6
Fruit nursery plants		14	14,7
Total of Seeds, nursery plants		1564,4	1698,6
N-Fertilizers		1364	1329,1
P-Fertilizers		309,4	549,1
K-Fertilizers		83,5	127,9
Total of Chemical Fertilizers		1757	2006,1
Manure		2541	2701,3
Fuel, oil, grease		185	197,1
Depreciation		59,3	62,3
T. of Fuel depreciation		244,4	259,4
T. of pesticides		273,3	288,4
Total of Plant Prolud inputs *		6380	6953,9
Animal Production Inputs		2001	2002
Green Jodder			8588,9
Berseem		7284	8089,5
Egyptin clover		222	247,5
Other fodder		7730,4	251,9
Total		15236	17117
Processed feeds		1252,7	1230
Concentrates feeds		3763,3	4574,7
Straws		1062,7	1262,1
Eggs for hatcheries		457,9	606,4
Total		14267	16262
Fish Producton Inputs		2001	2002
Fish meat		4,2	4,3
Fingerlings		89,2	90,9
Fuel, oil greases for fishing gears		9,9	11,1
Depreciation & maintenance for F. gears		402,3	449,3
Total fish production inputs		505,6	555,7

*Without rent which is estimated at LE 1200 annually, and it should be added to the producer who is not a land owner.

Appendix 7 - Egypt: Area, Yield and Production of Cereal, Legumes and Fodder Crops Throughout (2000-2003), Area in Hektar, Yield in Ton/Hek, Production in Thousand Tons.

Years	Wheat			Rice Summer Crops		
Crops	Area	Yield	Production	Area	Yield	Production
2000	853,3	6,7	5678,3	659,2	9,1	6000,5
2001	983,9	6,4	6250,8	563,2	9,8	5226,7
2002	1029,4	6,4	6624,9	650,2	9,4	6109,7
2003	1053,2	6,6	6624,9	650,2	9,4	6109,7

Years	White Maize			Clover		
Crops	Area	Yield	Production	Area	Yield	Production
2000	681,9	8,0	5482,5	760,5	68,1	517,1
2001	718,6	8,2	5876,6	812,6	67,1	54655,0
2002	652,0	8,1	5278,4	838,3	69,9	58583,0
2003	652,0	8,1	5278,4	826,1	70,1	58583,0

Source: Ministry of Agriculture, Economic Affairs Sector, the General Authority for Statistics, unpublished data.

This table includes the summer crops of 2002. The data on most of summer crops of 2003 are not available until now.

Appendix 8 - Egypt: Area, Yield and Production of Cash Crops Throughout (2000/2003), Area in Hektar, Yield in Ton/Hektar, Production in Thousand Tons.

Years	Sugar Cane			Sugar Beet		
Crops	Area	Yield	Production	Area	Yield	Production
2000	134	117	15705,8	52	51	2678
2001	131	119	15571,5	60	48	2857,7
2002	_	_	_	65	49	3168,3
2003	136	118		55	49	

Years	Cotton			Beans		
Crops	Area	Yield	Production	Area	Yield	Production
2000	218	2,5	553,8	83	3,2	262,9
2001	307	2,7	832,2	140	3,1	439,5
2002	_	_	_	127	3,2	400,9
2003	297	17		106	3,5	

Source: Ministry of Agriculture, Economic Affairs Sector, the General Authority for Statistics, unpublished data.

Appendix 9 - Development o the Area, Yield and Production of Oil Crops in A.R.E. Throughout (2000/2002), Area in Hektar, Yield in Ton/Hektar, Production in Thousand Tons.

Years	Peanuts			Soya Beans		
Crops	Area	Yield	Production	Area	Yield	Production
2000	60	3,1	187,2	3,9	2,3	10,5
2001	63	3,2	205,1	5,3	2,8	14,9
2002	59	3,2	191,0	5,9	3	17,69

Years	Sesame			Sunflower		
Crops	Area	Yield	Production	Area	Yield	Production
2000	30	1,2	36,3	12	2,3	27,5
2001	29	1,2	34,8	19	2,3	44,1
2002	30	1,2	36,78	16	2,3	35,041

Source: Ministry of Agriculture, Economic Affairs Sector, the General Authority for Statistics, unpublished data.

Crops in this table are summer crops the data on summer crops of 2003 are not available until now.

Appendix 10 – Egypt: Area, Yield and Production of Vegetable Crops in A.R.E Throughout (2000/2003), Area in Hektar, Yield in Ton/Hektar, Production in Thousand Tons.

Years	Potato								
Crops	Potato Winter Crop			Potato Summer Crop			Potato Nile Crop		
	Area	Yield	Production	Area	Yield	Production	Area	Yield	Production
2000	28,2	23,47	663,2	28,4	26,3	746,8	18,4	19,3	354,9
2001	32,2	24,73	785,1	27,5	25,4	700,8	20,0	20,9	417,1
2002	34,6	24,6	847,9	27,7	26	719,9	20,3	20,6	417,6
2003									

Years	Tomato					
Crops	Tomato Winter Crop			Tomato Summer Crop		
	Area	Yield	Production	Area	Yield	Production
2000	74,5	38,79	2883,1	88,8	31,87	2831
2001	66,3	40,15	2662,2	84,4	31,73	2677,8
2002	72,6	41,3	2998,1	85,3	31,79	2707,5
2003	75,2	41,6				

Source: Ministry of Agriculture, Economic Affairs Sector, the General Authority for Statistics, unpublished data.

Appendix 11 – Development o the Area, Yield and Production of Vegetable Crops in A.R.E. Throughout (2000/2003), Area in Hektar, Yield in Ton/Hektar, Production in Thousand Tons.

Years	Onion					
	Onion Winter Crop			Onion Nile Crop		
Crops	Area	Yield	Production	Area	Yield	Production
2000	28,6	26,66	763	2,4	28,8	70,3
2001	22,7	27,7	628,4	4	28,92	116,8
2002	27	27,96	754,9	_	_	_
2003	23,2	29,5				

Source: Ministry of Agriculture, Economic Affairs Sector, the General Authority for Statistics, unpublished data.

Appendix 12 – Area, Yield and Production of Fruit Crops Throughout (2000/2003), Area in Hektar, Yield in Ton/Hektar. Production in Thousand Tons.

Years	Orange			Mango		
Crops	Area	Yield	Production	Area	Yield	Production
2000	85	19,1	1611	27	11	299
2001	84	20,3	1696	28	12	326
2002	84	21,6	1809	29	10	287
2003	84	21,6	1809	29	10	287

Years	Grapes			Banana		
Crops	Area	Yield	Production	Area	Yield	Production
2000	54,5	19,7	1075	19	39,6	761
2001	54,9	19,7	1079	21	41	849
2002	56,3	19,1	1074	21	41,6	878
2003	56,3	19,1	1074	21	41,6	878

Source: Ministry of Agriculture, Economic Affairs Sector, the General Authority for Statistics, unpublished data.

Appendix 13 – Development of the Wholesale Price and the Consumer Price for Red Meat in A.R.E. Throughout (2000/2003), L.E./KGm.

Years		2000	2001	2002	2003
Price of Crops					
Cow Meat	Wholesale Price	12,9	13,61	12,28	17,86
	Consumer Price	17,35	18,09	15,73	20,8
Buffalo Meat	Wholesale Price	9,85	9,98	12,35	15,3
	Consumer Price	13,44	14,21	15,66	18,98
Large Mutton Meat	Wholesale Price	12,3	13,43	14,54	17,3
	Consumer Price	15,2	17,18	17,41	19,93
Goat Meat	Wholesale Price	11,62	13,11	13,81	16,24
	Consumer Price	16,03	16,47	16,86	18,94

Source: CAPMAS.

Appendix 14 – Development of the Farm Price an the Consumer Price for the Main Crops in A.R.E Throughout (2000-2003), L.E./Ton.

Years		2000	2001	2002	2003
Price of Crops					
Wheat	Farm Price	692,7	700,7	718	760
	Consumer Price	948,3	960	960	1000
Rice	Farm Price	582,7	592,4	671,4	993
	Consumer Price	1112,5	1277	_	1450
Potato Summer Crops	Farm Price	627	627,6	_	714
	Consumer Price	990	1033	_	1450
Tomato Winter Crops	Farm Price	391	392,9	396,7	600
	Winter Consumer Price	1140	846	692	922
Onion Winter Crops	Farm Price	216,5	223,3	228,3	230
	Winter Consumer Price	566,67	711,11	722,22	0
Cotton	Farm Price	350,1	350,1	409	500
Maize	Farm Price	607,1	621,9	628,57	692
	Consumer Price	742,9	764,3	_	928

Source: CAPMAS.
Source of 2003: Ministry of Agriculture & Land Reclamation, Department of Economic Affairs.

Appendix 15 – Imports of Some Agricultural Items Throughout 1999-2003.

Q: Quantity in Million;V: Value in US $ Million.

	Wheat		Corn Flower		Sugar		Tea		Diary Milk		Total of Meat		
	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Total V.
1999	5962	547	3585	387	1206	274	73	98	44	75	182	230	1611
2000	4962	719	5162	583	574	196	72	113	30	50	201	244	1905
2001	2818	427	4699	541	438	113	56	99	91	15	100	160	1325
2002	4530	667	4656	583	239	55,7	_	_	_	_	106	190	1495
2003	3400	514	3963	515	314	61					90,1	150	1238.9

Source : CAPMAS – Resource Center – Unpublished data.

Appendix 16 – Exports of Some Agricultural Items Throughout (1999-2003).

Q: Quantity in Million Kg;V: Value in US $ Million

	Cotton		Rice		Potato		Onion		Tomato		Orange		
	Q	V	Q	V	Q	V	Q	V	Q	V	Q	V	Total V
1999	112	238	307	88	256	46	106	9,5	5	1	53	16	399
2000	63	132	393	113	49	7,7	147	12	1,7	0,5	86	17	282
2001	82	185	650	132	185	29	166	14	54	1,1	257	50	412
2002	161	330	452	103	229	42	293	24	_	_	127	27	525
2003	91.8	59.2	79.4	64.2	96.1	34.9	320	33	3.2	.82	166	38.9	73.1

Source : CAPMAS – Resource Center – Unpublished data.

Appendix 17 -Indicators of Sub-sectors of AFI, in the Public Sector in Egypt 1998/1999-2001/2002.
LC=Local currency.

	1999/2000				2001/2002			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
	U		M LC	M LC	U		M LC	M LC
Meat Industries	4	1621	57,9	-13,9	2	42	12,3	-3,2
Fish Industries	2	307	13,7	4,4	2	198	7,2	1
Processed Vegetables	7	767	42,5	6,1	7	788	49,7	12
Oils and Fats	23	16061	1579	186,5	16	12108	1137,9	144,6
Dairy Milk Industries	7	1379	60,6	13,1	5	1004	65,4	14,7
Mill Products	94	15322	1748	109,2	89	15126	1995,5	226,8
Animal Feed	10	1141	155,5	8,1	8	781	149,2	26,5
Bread, Pastry, Biscuits	129	4524	111	12,7	128	4217	110,4	35,7
Sugar	10	14676	1607	309,8	10	12899	1801,8	494,7
Cacao, Chocolate	2	1138	27,9	-1,3	1	277	9,4	3,6
Other	13	7145	191,4	115,1	22	2864	224,8	31,2
Total AFI	301	59557	5594	749,8	285	53304	5583,7	987,6

(1) Number of enterprises
(2) Number of employees
(3) Production
(4) Value added
Source: CAPMAS.
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