



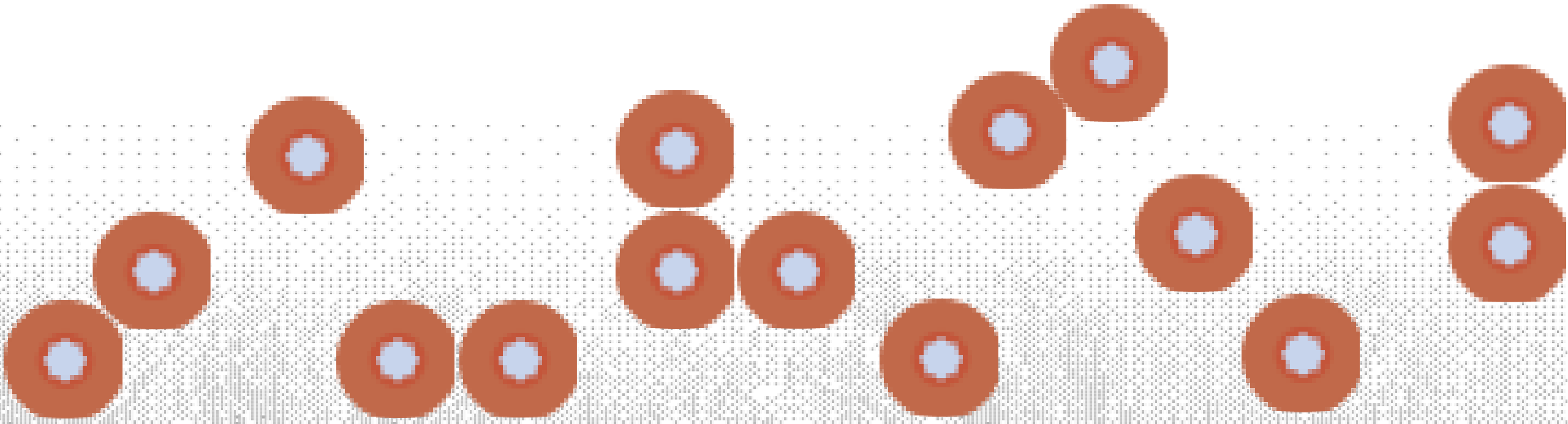
Food and Agriculture
Organization of the
United Nations



European Bank
for Reconstruction and Development

EBRD/FAO technical cooperation package to support food security in the SEMED region

Key trends in the agrifood sector in Egypt



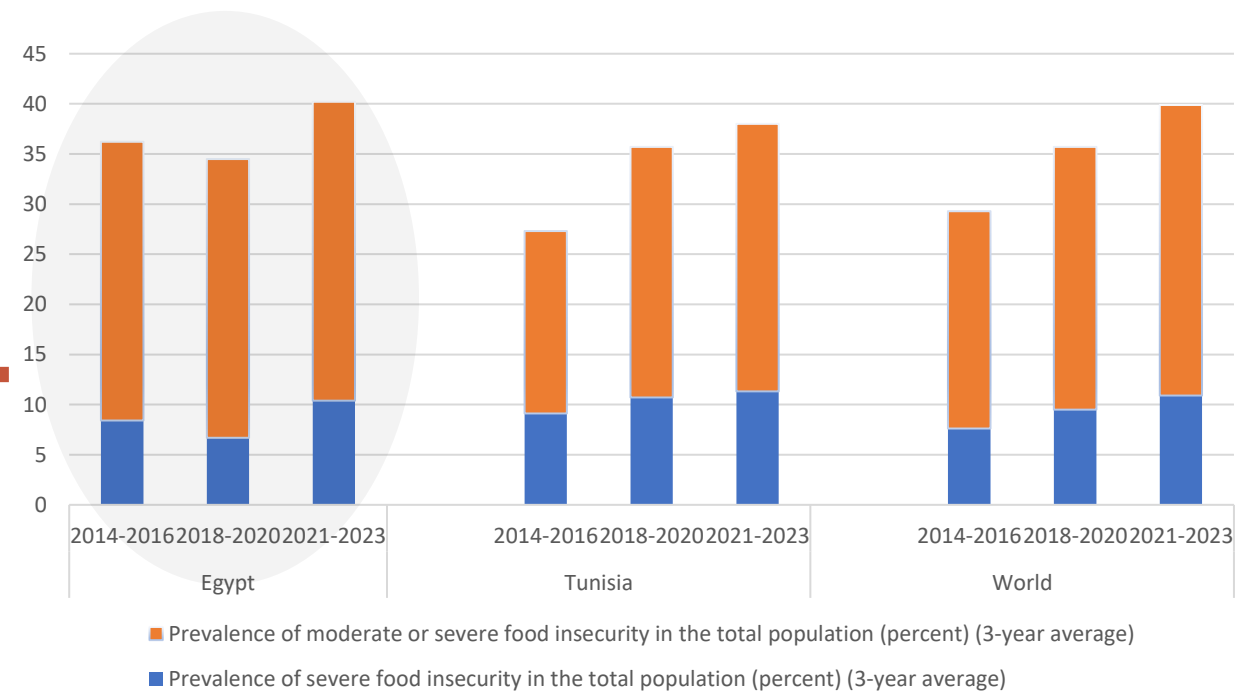
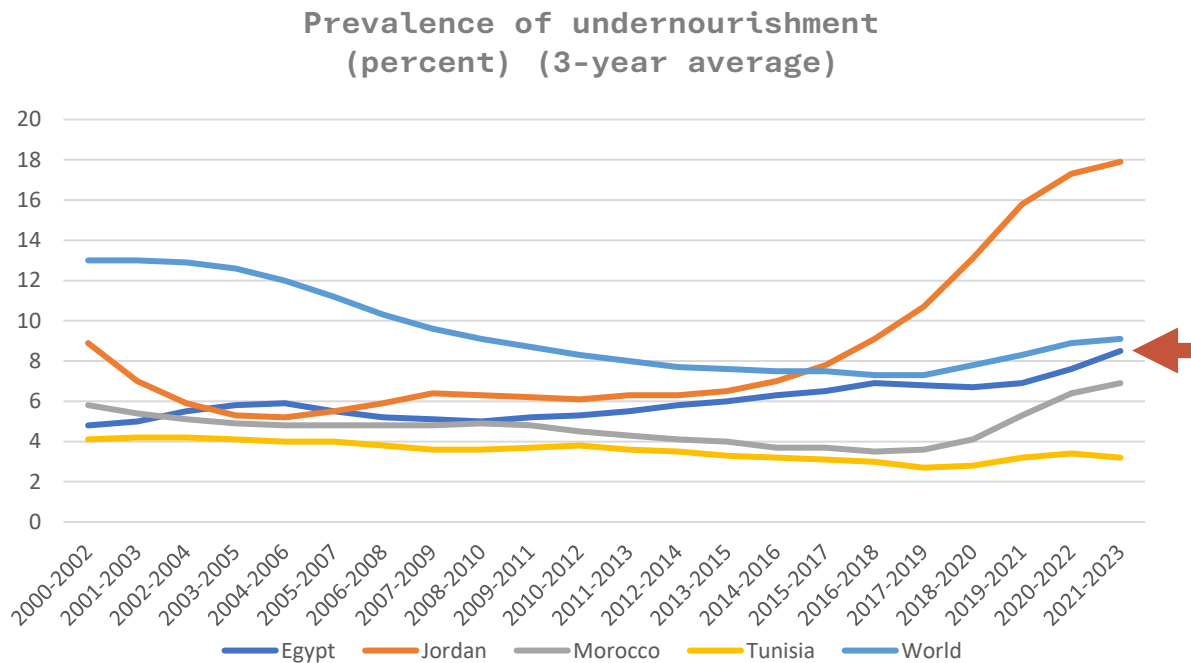


Overview

- Updates on food insecurity and malnutrition in Egypt.
- Local agrifood systems for improved agricultural productivity and food security.
- Agricultural trade: focusing on resilience to ensure food and nutrition security for all.
- Policy strategic direction.

Hunger, food insecurity and malnutrition have increased in the SEMED region

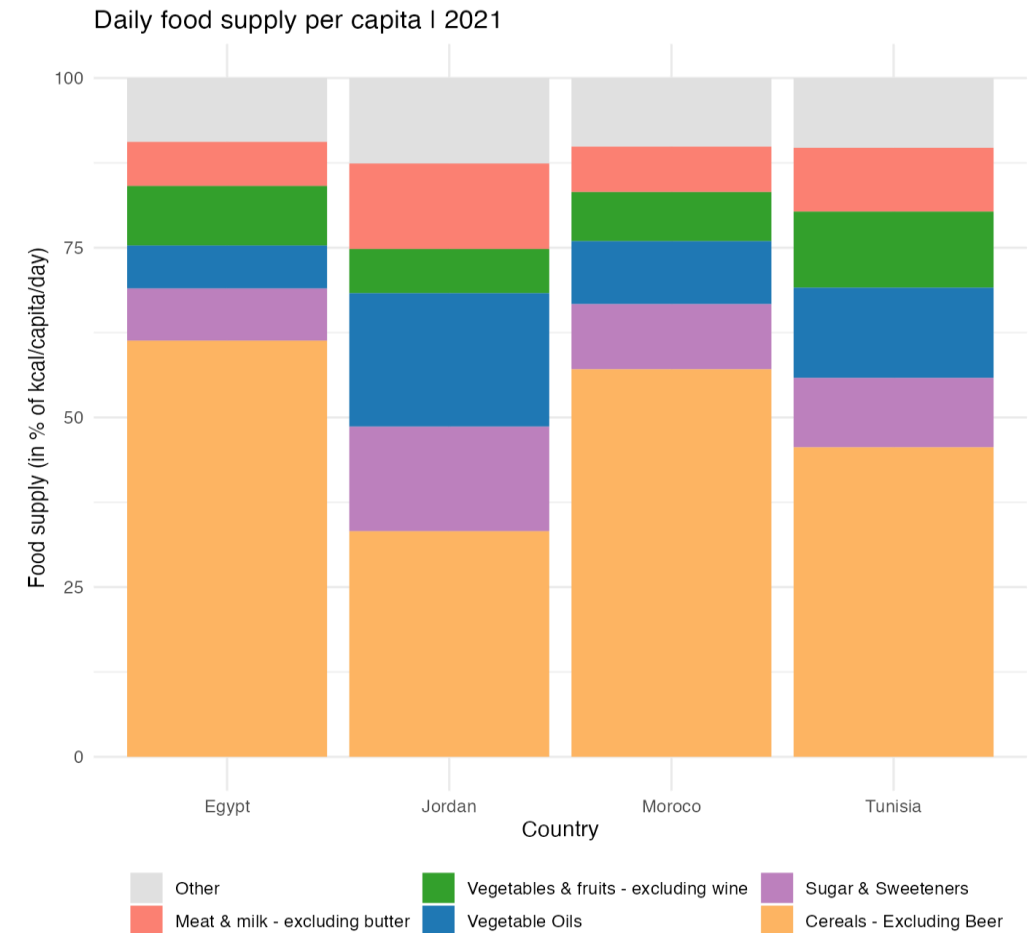
- The prevalence of undernourishment in Egypt has steadily increased from 5.9 in 2004/06 to 8.5 in 2021/23.
- Egypt, like other countries, witnessed increasing levels of moderate, and in particular, severe food insecurity, mainly due to COVID-19 and the war in Ukraine.



Source: FAO STAT, SOFI, 2024

Sustained economic growth triggered the nutrition transition, shifting consumption patterns towards greater dietary diversity as well as increasing child overweight and adult obesity

- Egypt saw an increase in overweight children under five, reaching 18.8% in 2022 (similar to Jordan and Tunisia, but much higher than Morocco).
- Obesity among adults in Egypt is the highest in the region at 44.3% in 2022, and projections indicate that will continue to increase through 2035.
- Cereals contribute over 50% of dietary energy intake in the region, with Egypt the highest at 61%.



Source: FAO. 2023

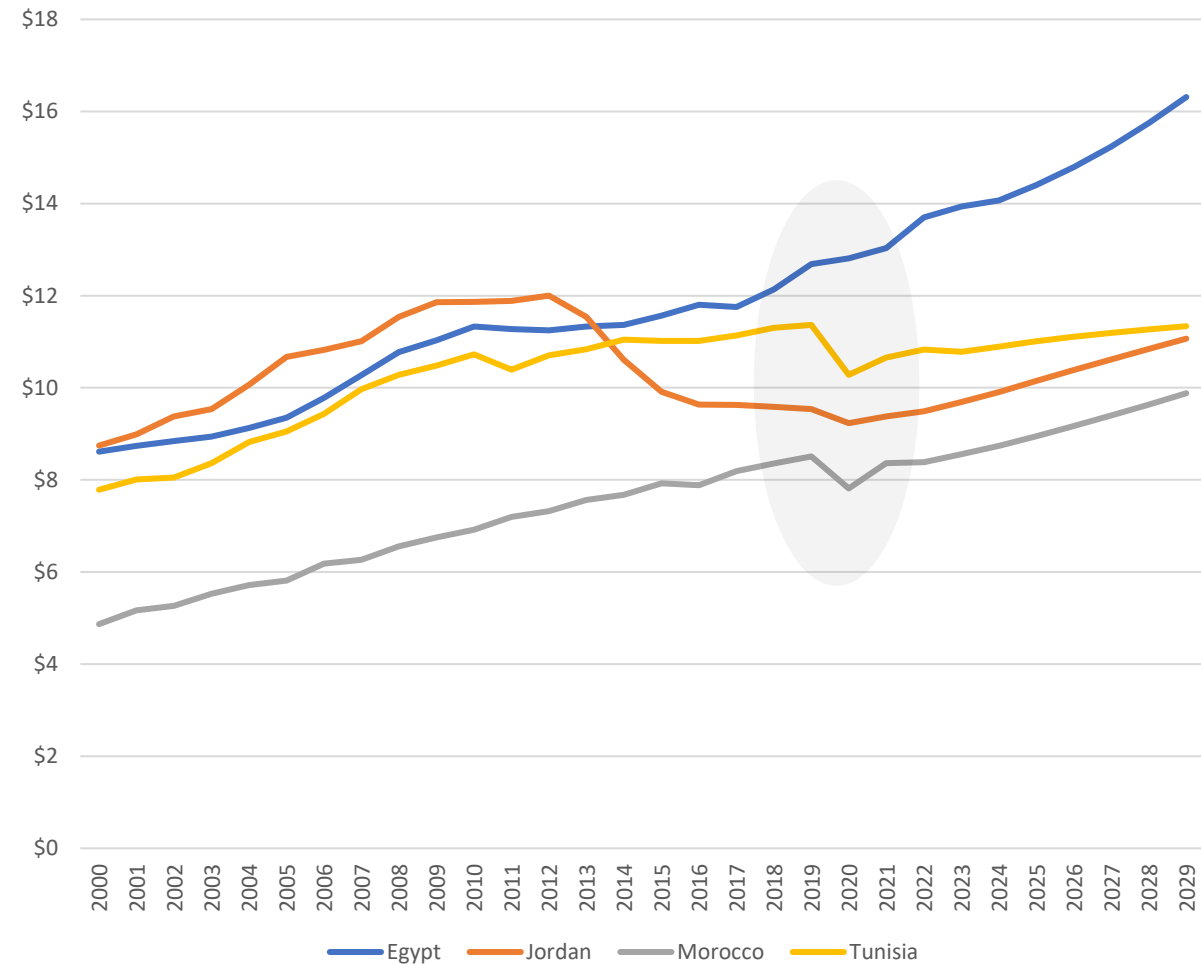
Egypt has been experiencing relatively good economic growth despite COVID-19, the war in Ukraine and regional instability, and GDP is projected to grow over the next few years.

Economic growth has not translated to poverty reduction, with over a third of Egyptians living below the poverty line as of 2022. The country's fertility rates and population growth exceed both regional and global averages, intensifying competition for resources and food demand.

Social protection programmes have helped cushion external shocks, but subsidies on staple foods have inadvertently promoted overconsumption and contributed to malnutrition, including both undernutrition and obesity.

Looking ahead to 2030, Egypt is expected to see increased availability of vegetable oils, dairy products, and fish, while cereals and sugar supplies may decrease. Despite projected economic growth, challenges to food security and agricultural productivity will persist due to population pressure, changing diets, resource scarcity, and climate change impacts.

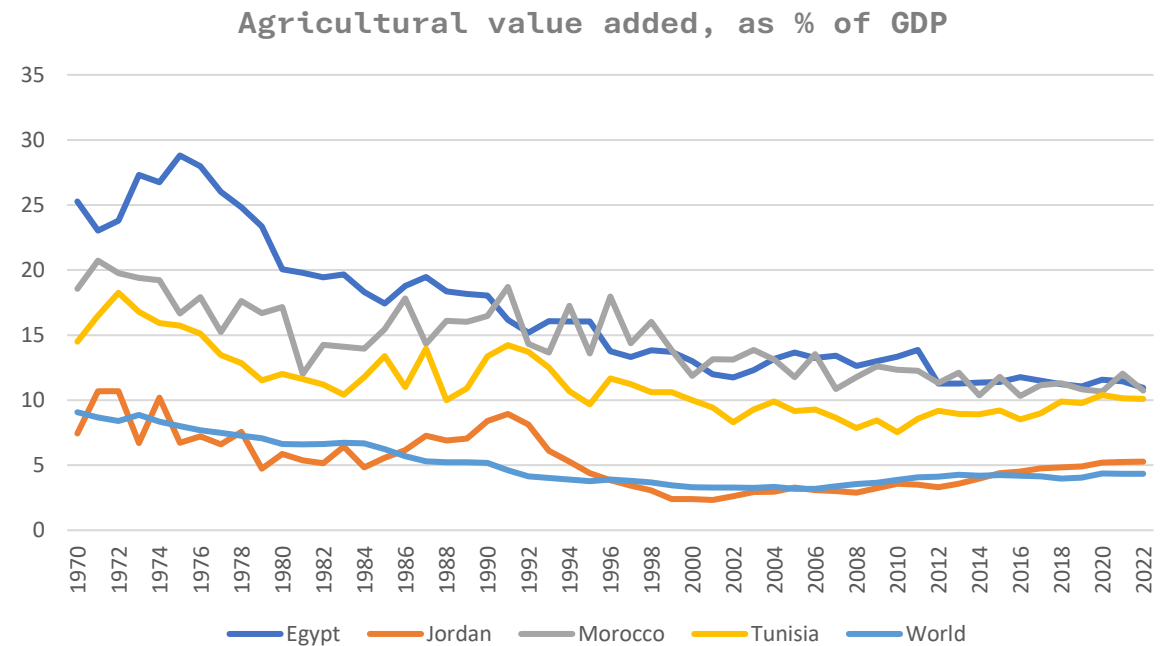
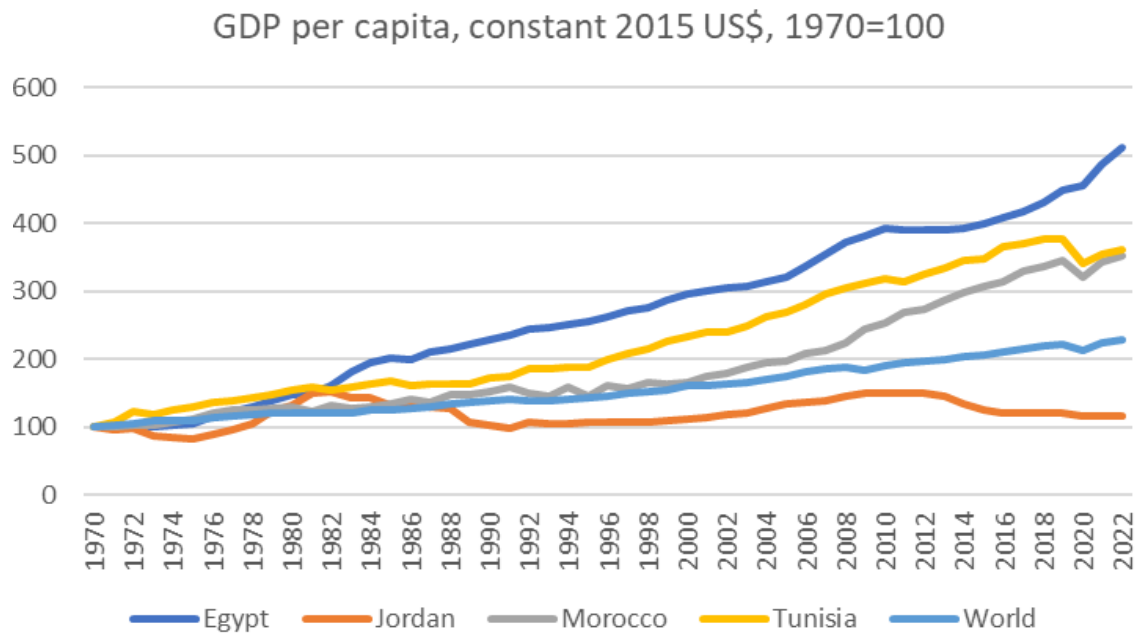
GDP per capita (PPP 2017 international US\$)
projections from 2022; Tunisia from 2019



GDP per capita in Egypt has risen at faster rate than the world average and other SEMED countries.

The decline in agriculture's contribution to GDP over the past 50 years is consistent with structural transformation, and the growth rate of agriculture is slower than the rest of the economy

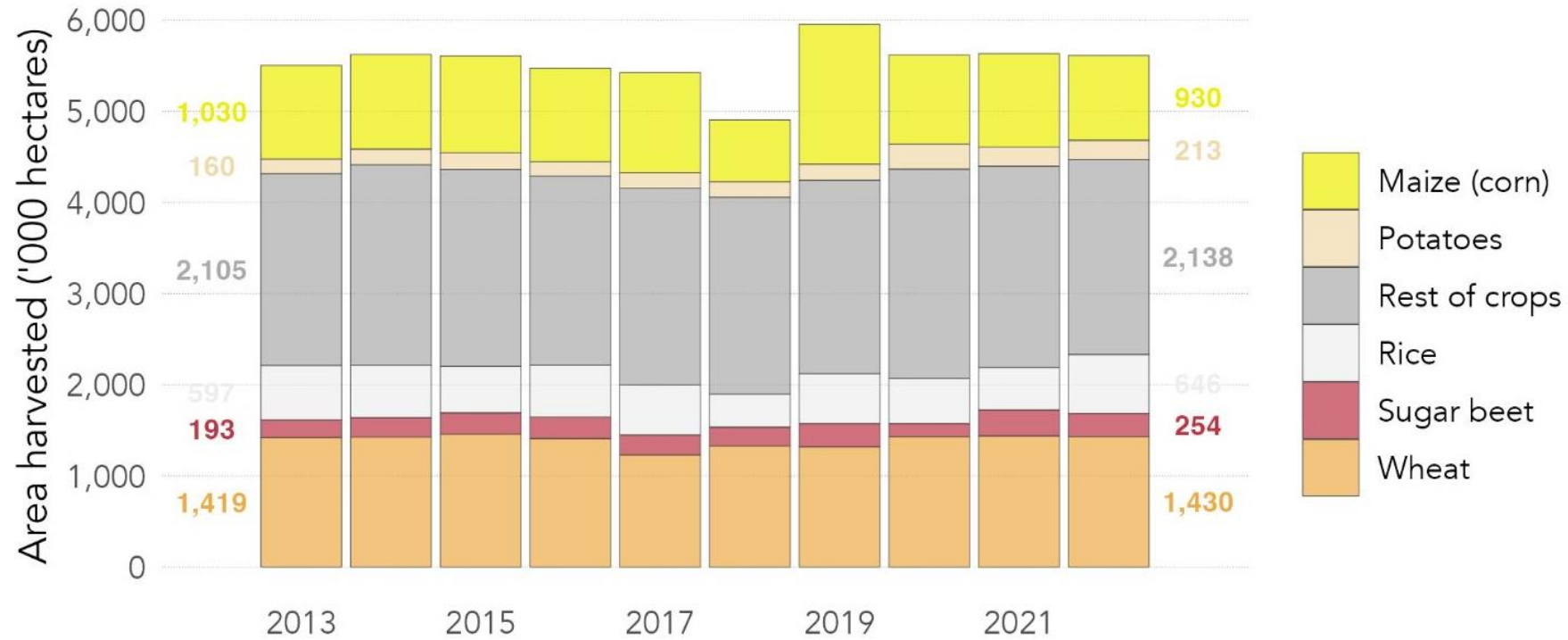
Agriculture contributes approx. 10% to total GDP, well above the world average of 5%.



Main crops in Egypt

Wheat
Maize (corn)
Sugar beet
Potatoes
Rice

Major crops by extent of harvested area

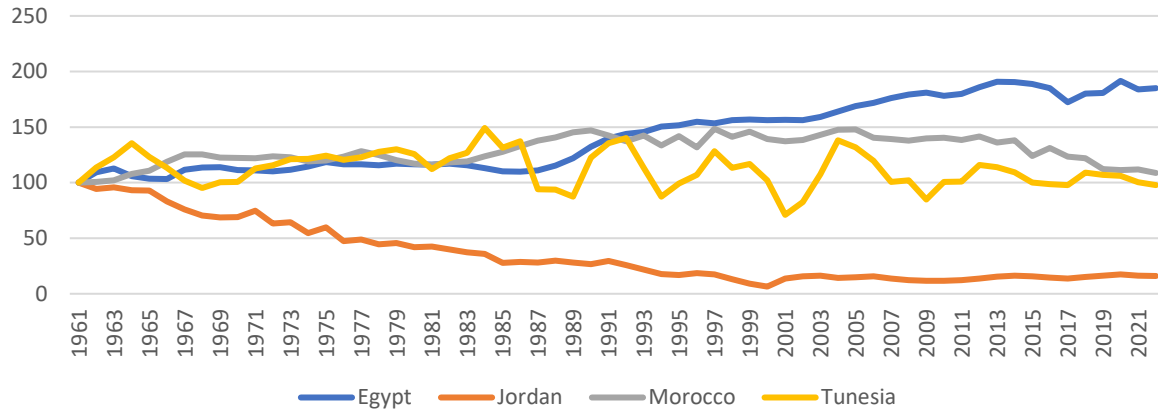


Source: FAOSTAT

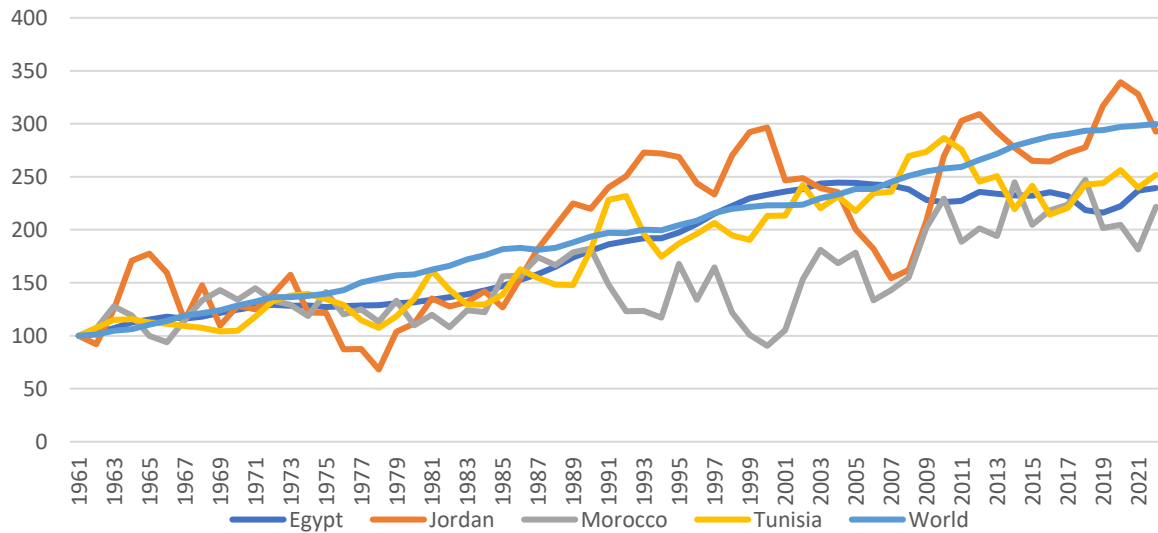


Trends in cereal production in Egypt

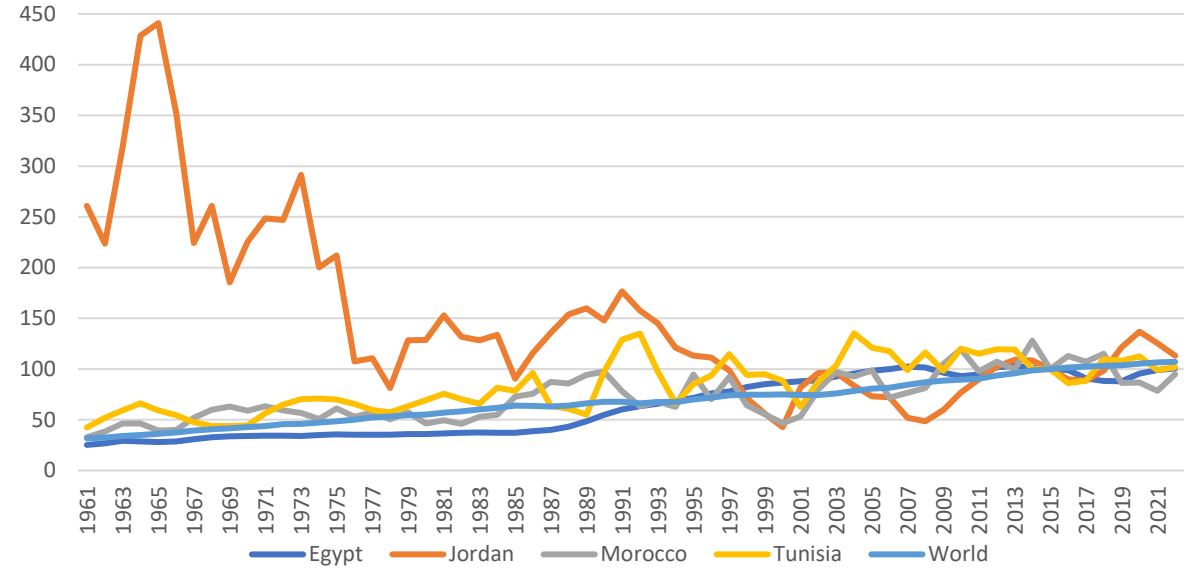
Area under production in cereals, 3 year moving average (1961=100)



Cereal yields, three year average, 1961=100



Cereals, gross production index (2014-2016=100)

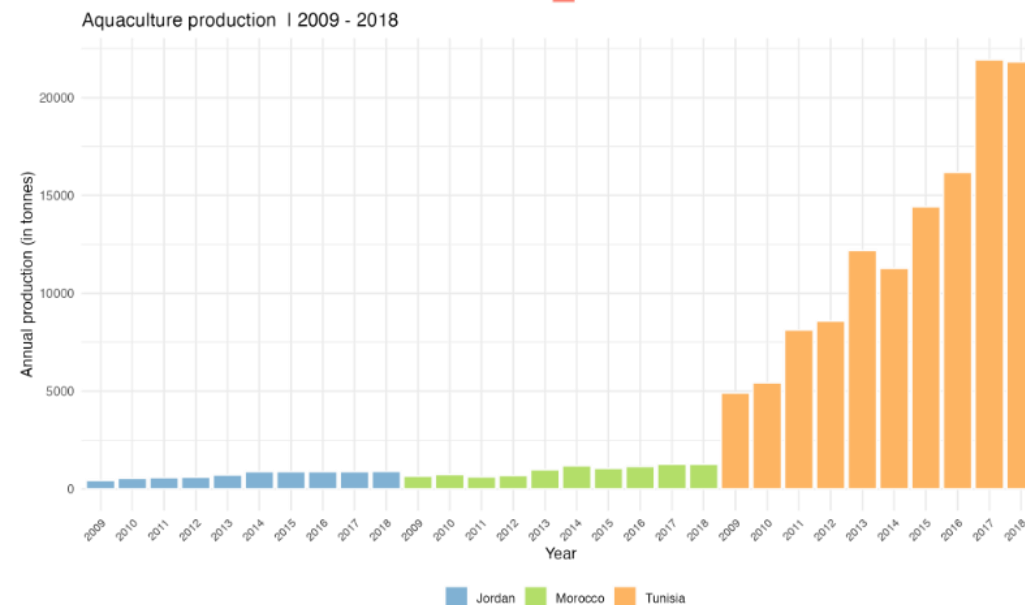
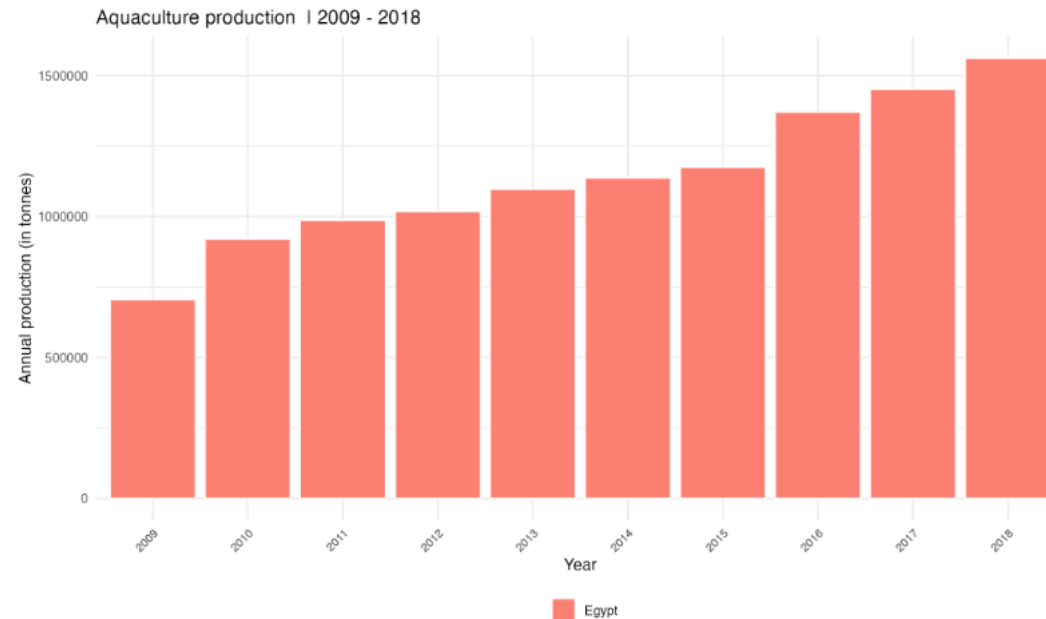


The increase in cereals output is driven by increases in both area harvested and yields.

Wheat self sufficiency is 50

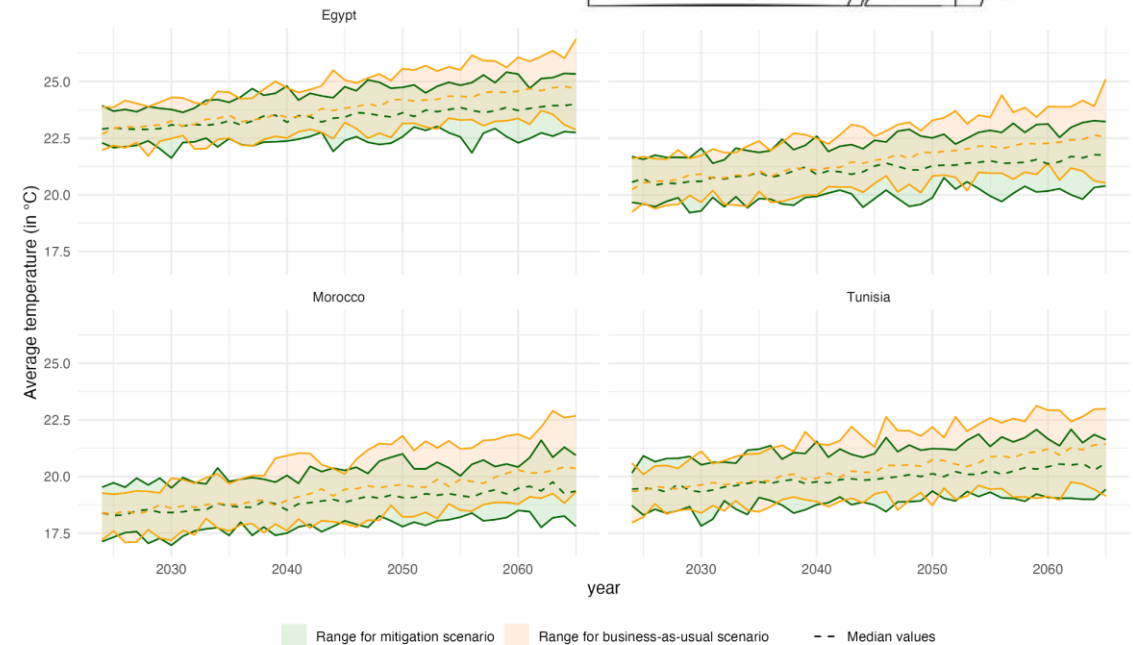
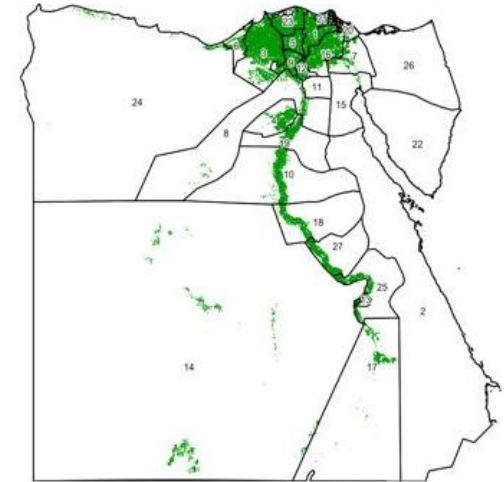
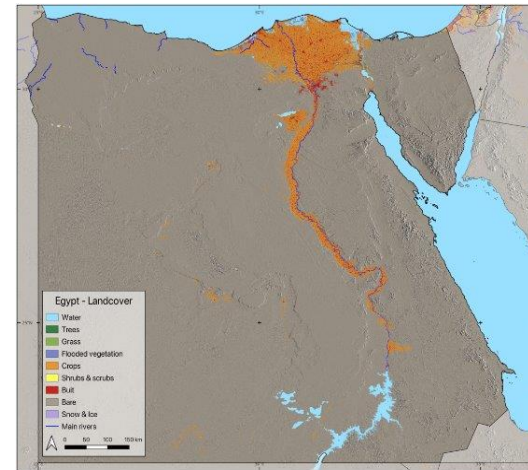
Growth and significance of Egypt's aquaculture and livestock sub-sectors

- Egypt leads the region in aquaculture, producing 1.7 million tons of fish in 2018 and contributing significantly to GDP. Despite doubling production in the last decade, the sector faces challenges from climate change, conflict, and the pandemic.
- Livestock is crucial to Egyptian agriculture, making up 40% of agricultural GDP. It is primarily intensive, and nearly a third of rural households owning livestock, mostly poultry. The sector's growth has surpassed global averages.
- The agrifood value chain in Egypt faces numerous challenges, particularly in storage, distribution, and infrastructure. While the food processing industry receives government support, inefficiencies persist, especially in cold chain management. Small and medium agribusinesses struggle with market access, legal ambiguities, and compliance issues.
- Egypt's agricultural policies prioritize food self-sufficiency, focusing on large-scale farms while offering limited support to smallholders. The government subsidizes staple crops through various measures, but these policies tend to inflate domestic food prices. Large-scale land acquisition is encouraged to ensure food and feed supply.



Land Use, Climate Vulnerability , and Critical Water Scarcity in Egypt

- The predominant land cover in Egypt is bare desert, making up more than 90% of land cover.
- Croplands cover 3.5% of total land.
- Water scarcity is a critical issue in Egypt. The country's water exploitation ratio has been above 100% since 1995, forcing it to rely on external sources of water.
- Climate change exacerbates water scarcity through rising temperatures and reduced rainfall.
- Increasing temperatures lead to high evapotranspiration rates, negatively impacting the water balance and posing a significant risk to agricultural production, in the context of historically low annual rainfall (less than 100 mm).
- Agriculture is the primary consumer of water in Egypt, with irrigation accounting for more than 75% of total water use, higher than global average. Almost all of Egypt's agricultural land is irrigated.



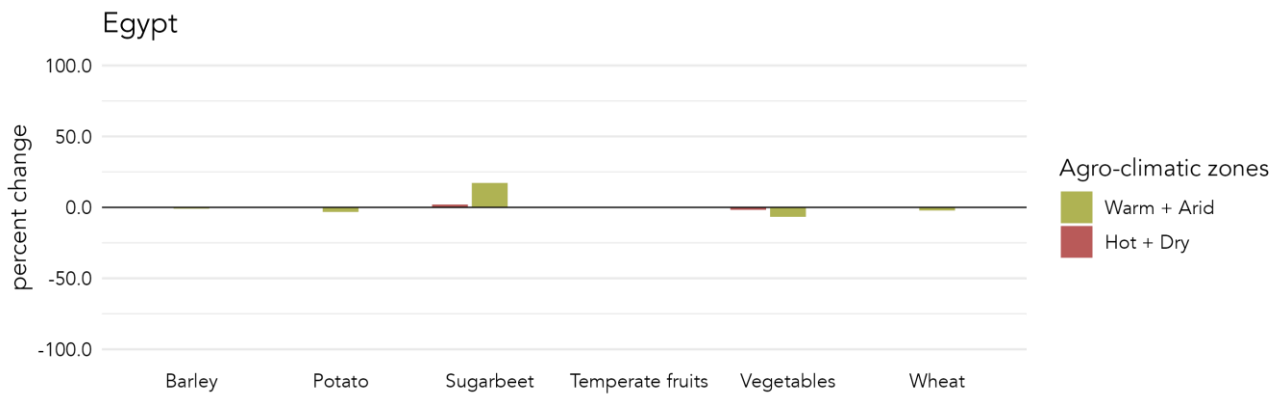
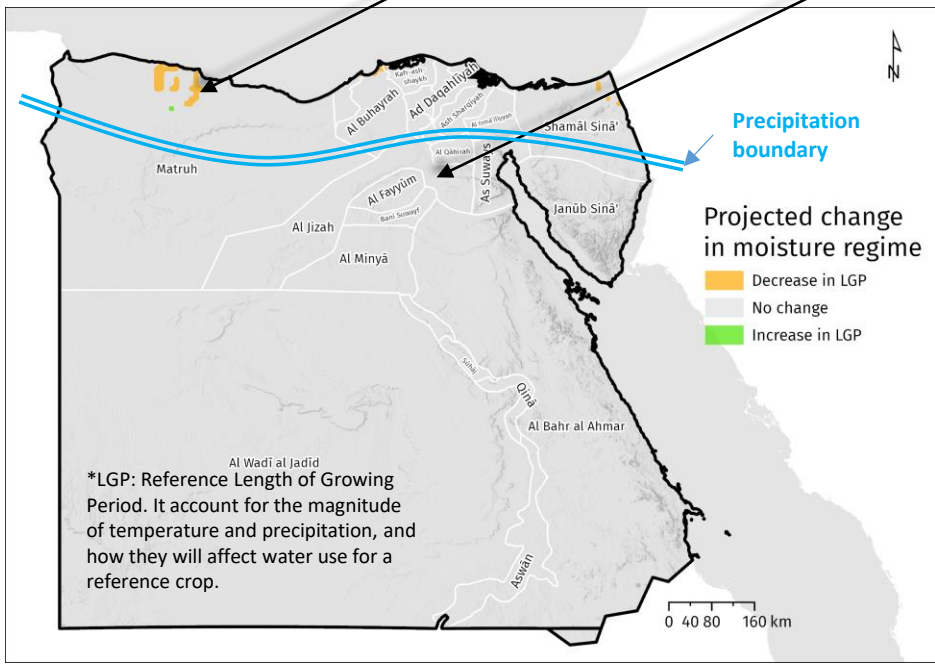
Climate change is projected to have a relatively limited impact on crop yields in Egypt through 2040, as almost all production is irrigated

Potential implication for crop production under climate change

Where warming conditions would reduce farming suitability

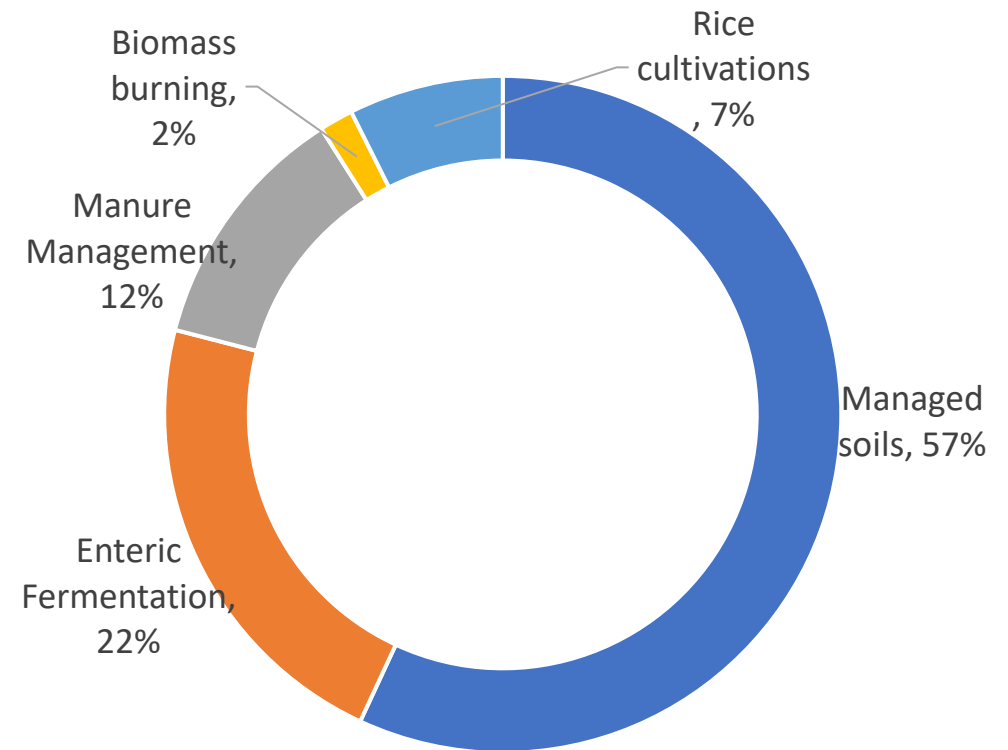
No significant change overall in terms of agro-climatic suitability

	Egypt
Wheat	- 0.2%
Potato	- 1.2%
Barley	- 0.1%
Vegetables	- 1.8%
Temperate fruit	0%
Sugarbeet	+ 2%



Egypt's agricultural emissions and National Climate Commitments (NDCs)

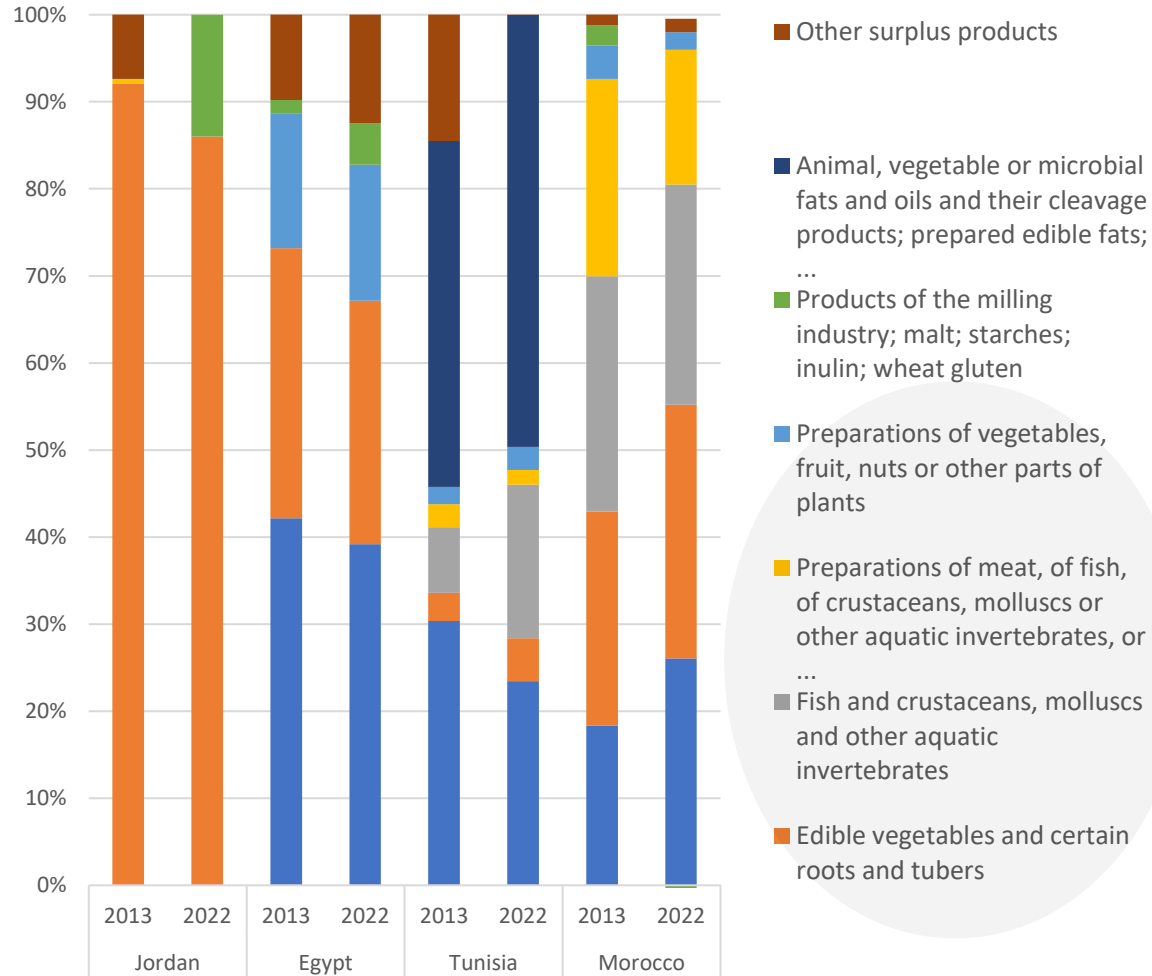
- Agriculture contributes 14.9% to Egypt's total emissions. Emissions are primarily from enteric fermentation, managed soils, manure management and rice (mainly N₂O and methane from flooded soil).
- Egypt's NDCs are ambitious but have not included agriculture in mitigation targets. The country outlined emission reduction measures for sectors like power, industry, and tourism, but lacks a comprehensive economy-wide target.
- Egypt's commitment to decarbonization and resilience investments is estimated at 5.7% of GDP, with significant challenges to implement NDCs including economic and financial constraints, limited knowledge, technical challenges, and institutional obstacles.



Sources: Latest National Communications to the UNFCCC

Egypt's agricultural trade exports and unrealized market

Composition of agricultural trade surplus in SEMED countries, 2013 and 2022 (excluding agri-inputs)



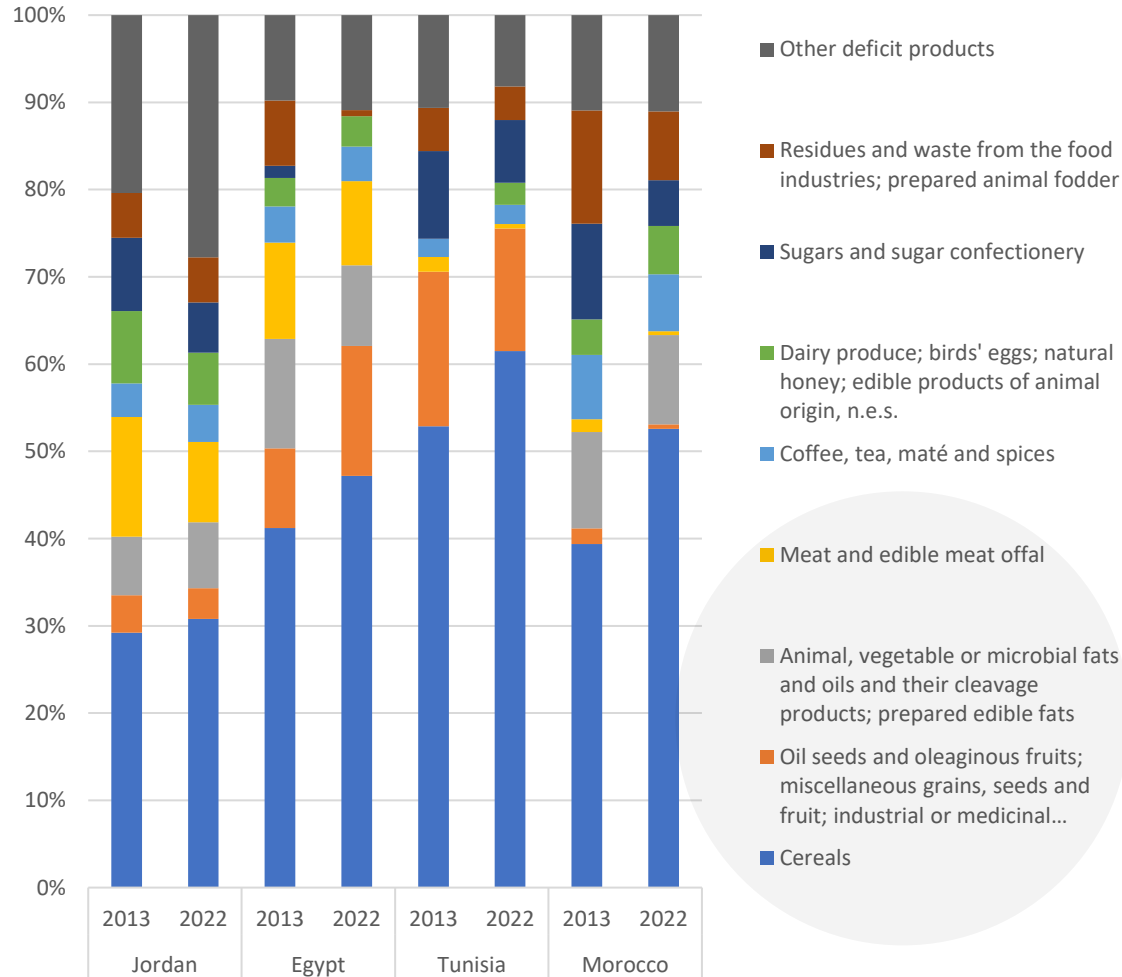
- Egypt shows more diversity with fruits, vegetables (and their preparations) and products of the milling industry generating surpluses.
- Exports are mainly directed to the EU, GAFTA countries, and other regions.
- There is untapped export potential worth USD 2.8 billion in products like fertilizers, oranges, grapes, onions, and cheese, with key markets including the US, Saudi Arabia, and Brazil.
- Fertilizers dominate agri-input trade, with exports doubling in value over 2013-2022.

Source: International Trade Center (ITC). 2023. *Trade map*.
<https://www.trademap.org/Index.aspx>



Egypt's Agri-Trade Deficit and Food Import Dependency

Composition of agricultural trade deficit in SEMED countries, 2013 and 2022.



Source: International Trade Center (ITC). 2023. *Trade map*.
<https://www.trademap.org/Index.aspx>

- Agri-trade in Egypt grew by 36% over the past decade, although agri-trade deficit is stable at 2% of GDP.
- Cereals dominate this deficit, reaching 47% in 2022 due to global price hikes and the Ukraine conflict
- Egypt has a concentrated group of suppliers for key products (cereals, animal/vegetable fats and oils, and oil seeds), primarily Latin America, the Russian Federation, and the EU. This supplier concentration for agricultural products is the highest among SEMED countries.
- Food losses, especially in cereals and oil crops, remain problematic due to poor handling. Egypt has initiated projects such as the National Project of Silos to address storage inefficiencies.
- Egypt's applied import tariffs align with regional averages. The country enforces product-specific non-tariff measures for imports. Export subsidies are enduring with possible environmental and domestic food security risks – underlining the need to reassess export subsidies and redirect resources to create healthier, sustainable, equitable, and efficient food systems.



Policies strategic direction



- Address the dual challenge of undernutrition and rising obesity rates by promoting dietary diversity while ensuring staple food security through targeted assistance for vulnerable populations, focusing on access to healthy and nutritious food.
- Incorporate agriculture into national climate mitigation targets and promote sustainable intensification to balance productivity with environmental protection, including improving irrigation efficiency, adopting climate-smart agricultural practices, and investing in research for drought-resistant crops.
- Optimize trade policies to balance food safety with trade facilitation and explore regional partnerships: reduce dependence on concentrated import sources while improving silos; improve access to key global markets and focus on high-value products.
- Modernize post-harvest infrastructure, including storage, transport, and processing facilities. Focus should be on expanding projects like the National Project of Silos to minimize food losses.

Thank you

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