

GROPRO in Egypt: agricultural potential is huge

Agriculture is not the first thing that comes to your mind when you hear about Egypt. Meanwhile, Egyptian agriculture represents about 12% of GDP, valued around \$250 billion, which includes various field and cash crops. Being mostly a plain lifeless desert, Egypt is currently the main global exporter of oranges and the biggest supplier of potatoes to the EU! Surprisingly, all these results have been achieved with low inputs usage - the average annual consumption of pesticides there much lower than the international average! So, how do they do this?

The GROPRO team wants to break the stereotypes and show the results of our investigation concerning the potential of Egyptian agriculture. We made an exciting and informative trip to Egypt in March 2020. Now we would like to share some insights to prove that Egypt is a high-potential agri sector. So, what makes Egyptian agriculture so unique and important - here are 3 main factors - location, population, production.

Egypt's location is great. Located in the northeastern corner of Africa, Egypt has an area of 386,662 sq miles; it is almost twice the size of France! However, the cultivated and settled area constitutes only about 4% of Egypt's land. Egypt is close to Central and North African countries, as well as to the EU and Black Sea region (Russia, Ukraine, Turkey, Romania, etc.). Egypt has developed port logistics, which makes it a powerful trade country in the Mediterranean region. Egypt connects Europe, The Middle East, and Africa. Don't forget the Suez Chanel – one of the most important trade gates in the world.

Population – growing very fast! Egypt has one of the most rapidly growing populations in the world. The current population of Egypt is about 100 million and it grows each year by approximately 1.5 million people. This means that Egypt should produce more and more agricultural products to feed it's growing nation. Certainly, Egypt has no problems with labor resources (no seasonal workers from abroad, etc.).

Production is increasing. Egypt, mostly a desert, has put together an effective agricultural production, especially in the specialty crops segments. Traditional crops such as wheat and cotton are supported by state subsidies. The agricultural region in Egypt was confined to the Nile Valley and Nile Delta, with a few oases and some arable land in Sinai. Egypt's entire crop area is **irrigated**, except for some rain-fed areas on the Mediterranean coast. Due to the poor quality of Nile water crop protection on the irrigated areas is the most important condition of future harvest quality (and quantity!). Most Egyptian farmers/landholdings are not big, with the average size of the farm is about 1 ha. The total area farmed annually is about 4,83 million ha. The government is working to implement a major investment plan to increase agriculture areas by adding 1.2 million ha through reclamations in the south. Over the past four decades, the area of 370,000 ha of newly reclaimed land has been added to Egypt's agricultural base. Egypt is literally **turning deserts into agricultural lands** using drip irrigation and new agri technologies.

Here is the list of the most commercially successful crops in Egypt:

- **Citrus** crops, primarily oranges, represent 85% of total citrus production, are grown on 230,000 ha of land. Egypt has topped the list of countries exporting oranges for the second year in a row with total exports at 1.7 million tons in 2019, accounting for 38 % of the global exports. Egypt planted upwards of 12 million orange trees with a production capacity of 3.4 million tons of oranges, a 3% increase when compared to numbers in 2018.
- Other **subtropical fruits** are also grown in Egypt, such as grapes, stone fruits, and pome fruits. According to FAO, Egypt ranks 4th place in the global production of table grapes and has shown

huge growth over the past 5 years. Along with the growth in production, Egypt has seen a rapid expansion of grape exports (a 20-fold increase from 2001 to 2018).

- Egypt is a major exporter of ware **potatoes**. In 2018, Egypt exported over 759,200 tonnes of ware potatoes and became the 5 largest exporter, supplying primarily to Russia and the EU.
- **Tomatoes** are grown on around 3% of Egypt's total planted area. Egypt produces about 8 million tonnes of fresh tomatoes per year, making it the world's fifth-largest producer. Losses to tomato crops are considerable due to damage caused by tomato leaf curl virus, early and late blight, and nematodes.
- **Strawberry and other berries** Egyptian strawberry production is estimated to come to some 1 million tonnes. The production is divided into a mixture of top-quality export grade (predominantly to Europe and The Middle East), and industrial use such a confectionery, jams and general processing. Egypt also has increased production of blueberries, raspberries, and blackberries to take a more important position in the global supply chain.
- Other noteworthy crops include **onion** (586,000 tons of onions were exported in 2019!), pomegranate, garlic, mango, bananas, green beans, guava, cucumber, bell/sweet pepper etc.

Crop Protection: Usage to grow, more attention to safety and biopesticides

During our trip to Egypt, we met representatives of several market segments including crop protection, **distributors**, (both Egyptian companies and local representatives of international distributors), big crop **producers**, and exporters. Crop protection usage in Egypt is quite low compared to the EU or the USA. Egypt depends a lot on **imports** – they buy pesticides from 28 countries. China is the main supplier (about 20% of total imports). It's worth mention that the Egyptian pesticide industry is facing serious issues of counterfeit products. Moreover, it is not a big surprise that for crop protection products in most cases Egypt is still a “price market”. Biopesticides have the same procedure of registration as chemicals, which industry participants suppose to be quite the wrong approach. Less access to bio crop protection makes Egyptian agriculture less competitive. Taking into account huge exports of Egyptian crops to the EU, the quality of Egyptian fruits and vegetables becomes the main question; the European market has very strong regulation about the usage of chemicals for food products.

Despite rapidly growing interest, **biopesticides** currently are not widely used in Egypt. According to the data of StarChem (one of the best local distributors), biopesticide use makes up 11% of total pesticide use in the country. Currently, fruit&vegetables producers and exporters are the driving force of the Egyptian market for bio crop protection products.

Talking about **main issues for crop protection**, we have learned that the main problems in Egypt are the following:

- Mite,
- Soft body insects,
- Nematodes,
- Whitefly,
- Grey mold (grapes, strawberry),
- Powdery mildew etc.

We are excited to see how GROPRO products will work for solving these issues in the Egyptian environment, and we are looking forward to providing wide educational support to local distributors and producers. Egypt is constantly increasing areas of production and extending export positions. In order to be competitive in the global market, Egyptian exporters and farmers should have access to the modern technologies and best inputs. Especially in bio/natural farming. We believe that GROPRO products will help to develop Egyptian agriculture to improve the effectiveness of crop production by better quality and higher yields.