



# Boosting Organic Trade in Africa

Market analysis and recommended strategic interventions to boost organic trade in and from Africa

COUNTRY MARKET BRIEF FOR EGYPT

This Market brief series is based on a study commissioned by IFOAM – Organics International in 2020 in order to better understand possible interventions that can promote market development and trade of organic produce in Africa.

The study was financed in the framework of the global project “Knowledge Centre for Organic Agriculture in Africa” (KCOA). The objective of the project is to establish five knowledge hubs that promote organic agriculture in Africa by disseminating knowledge on the production, processing and marketing of organic products as well as shaping a continental network. The project is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Ministry of Economic Cooperation and Development (BMZ) as part of the special initiative ONE WORLD – No Hunger.

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## INTRODUCTION

*Fruit and vegetable market in the Dahar area*

The Egypt Market brief is part of a series with 12 specific Market briefs. They include information on the status of the organic sector and on the development of organic agricultural production and trade. They also provide deeper insight into how the organic market is organised: supply and demand dynamics including trends, supporting functions available and rules and regulations. All this is relevant information when trading with or in African organic markets.

The objective of the Market briefs is to inform national, regional and international specialists and interested public about the potentials of trade in organic products in and with African countries. The insights gained will facilitate the identification of possible interventions and opportunities and help to further build the organic sector in Africa.

This Market brief focuses on the organic market of Egypt. The complete series includes the following Market briefs:

**1 Regional Market brief** covering the 5 regions of the African continent: Southern, Eastern, Central, West and North Africa.

**8 Country Market briefs** covering the countries: Burkina Faso, Egypt, Kenya, Morocco, South Africa, Togo, Tunisia, Uganda

**3 Product Market briefs** covering the value chains: Coffee, Tropical fruits, Shea

## Overview and development

Organic agriculture in Egypt began in the late 1970s. Market demand from Europe has to a large extent driven the development of the sector, with the supply of high-value counter-seasonal vegetables to the European Union (EU) being particularly rewarding. The major organic crops produced for export are fruits and vegetables including (early) potatoes, as well as a variety of herbs (medicinal and aromatic plants, MAPs).<sup>1</sup>

More than 3 % of agricultural land in Egypt is organically cultivated. The organic farmland increased from 2,667 ha in 2004 to 116,000 ha in 2018, which is one of the highest in Africa in terms of total surface area dedicated to organic agriculture. The country experienced estimated growth rates of the market of up to 15 % per year. Egypt also had setbacks in 2011 due to political unrest and in 2017 when both national certification bodies lost international accreditation. Particularly processors of MAPs report that they could process and market higher quantities.

Egypt has a relatively well-developed organic sector with many stakeholders. Various non-governmental organisations (NGOs) and the private sector are active in the sector with the Sekem Group and its institutions being an international flagship for social entrepreneurship and organic system building. The government supports the sector to a certain extent. After an intensive process an organic regulation passed in January 2020.

An umbrella organisation legitimised by the different stakeholders and sector fora do not exist, but various organic development projects (with support from the German Cooperation) foster innovation, institution building and knowledge management. The sector faces challenges including residue management, contaminations from soil, air and water pollution as well as through spraying and drainage of fertilisers into the groundwater. This leads to criticism from importers from Europe and the USA concerning the quality of processed organic agricultural products from Egypt.

### Sekem Group

Sekem is a group of companies dealing with organic production, processing and trade with various trademarks for the local and international markets. Sekem was founded in 1977 by Ibrahim Abouleish who reclaimed desert land for biodynamic production. Apart from economic activities, Sekem runs schools, universities and health facilities and emphasises social, environmental and cultural values. Sekem created 3,000 jobs and is an international inspiration for social entrepreneurship having received numerous awards including the Alternative Nobel Prize. Sekem plays an important role in the national organic movement and value chains, but it has not been a role model for other entrepreneurial activities.

The domestic market is small but registers growth through large supermarkets (e.g. Carrefour or Hyper One), short chain markets by producers (e.g. Sara Organic Farm) and new specialised shops. Availability and diversity of products as well as reliability of claims are limited. Price premiums are high while the quality of fresh produce is improvable.

The concept of PGS<sup>2</sup> is not known in Egypt, the local market uses a third-party certification system. In 2020, several companies launched a private standard called “Economy of Love”, which is based on the biodynamic standard. When compared to organic standards, it has additional socio-economic and cultural requirements and is more flexible in terms of residues.

<sup>1</sup> Abdelrahman, H. et al. 2020, Situational Analyses of organic and ecological agriculture in Egypt (Knowledge Hub for Organic Agriculture in North Africa), unpublished.

<sup>2</sup> Participatory Guarantee Systems (PGS) are locally focused quality assurance systems. They certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange. More information can be found here: [www.ifoam.bio/pgs](http://www.ifoam.bio/pgs)





Orange trees

## Egypt's organic production

Infographic Egypt's organic production



Organic certified agriculture land:

**116,000 ha** (converted and under conversion)



Organic certified other areas (wild collection):

**60,000 ha**



Percentage of organic agriculture (of agriculture land):

**3.1%**



Organic producers:

**970**

### List of active certification bodies:

■ A CERT European Organization for Certification ■ AsureQuality ■ Kiwa BCS Öko-Garantie ■ Controllo e Certificazione Prodotti Biologici (CCPB, branch office in Egypt) ■ CERES, Center of Organic Agriculture in Egypt ■ Egyptian Center of Organic Agriculture ■ Lacon ■ Naturland ■ ProCert Safety ■ Soil Association Certification ■ Suolo e Salute



**Table: Products and production in 2018 in Egypt**

Products	Area (ha)	Volume (t)	Export value (CIF in €)	Remarks
MAPs (marjoram, caraway, anise, calendula, spearmint, peppermint, basil, thyme, hibiscus, cumin, celery, parsley, dill, geranium, fennel, lemon grass and chamomile)	a) 34,979	n/a.	n/a.	
Potatoes	a) 13,815	n/a.	n/a.	
Vegetables	a) 11,880	n/a.	n/a.	
Onions	a) 5,125	n/a.	n/a.	
Wheat	a) 4,599	n/a.	n/a.	
Maize	a) 3,176	n/a.	n/a.	
Garlic	a) 3,105	n/a.	n/a.	
Sugar beet	a) 2,246	n/a.	n/a.	
Grapes	a) 2,157	n/a.	n/a.	
Lucerne	a) 1,964	n/a.	n/a.	
Oilseeds (peanuts and sesame)	a) 1,623	n/a.	n/a.	
Cotton	a) 1,338	n/a.	n/a.	
Olives	a) 1,103	n/a.	n/a.	
Beans	a) 1,035	n/a.	n/a.	

a) Research Institute of Organic Agriculture – FiBL (2018) statistics



## Analysis

Almost two thirds of the organic production in Egypt is located in the Nile delta (Behera Governorate 28%, Ismailia 9%) or in El Fayoum (25%). 116,000 ha of land is mainly cultivated by small-holder producers organised in more than 900 producer groups. Most organic production is supplied to the 242 processing companies (e.g. drying herbs) or to the export market (e.g. early season potatoes, fruits and vegetables). The Sekem group with its various companies supplying among others organic cotton clothes, teas in bags, juices, oils, MAPs, and other fresh and processed food is

the single most important buyer. A large share of Sekem's products are produced for the local market using new commercialisation techniques such as basket schemes or cooking events with organically grown food and specialty varieties. Sekem spearheads innovative private sector projects to cultivate the desert (e.g. Bahareya, Minya or Wahat for 2,000 ha) organically and to create new agriculture land with diversified products. This contributes to a sustainable production and to the satisfaction of the market demand and creates environmental and social benefits.



*Young plants in a greenhouse at Sekem farm*

## Egypt's organic market

### Infographic Egypt's organic market



Main products for interregional export markets:  
**Herbs, vegetables (potatoes, onions, garlic, green beans, peppers and peas) and fruits (citrus, mangos, grapes and olives)**



Main products for domestic and regional markets:  
**Vegetables, wheat, maize**



Total volume of the exports:  
**56.591 tonnes to the EU in 2019**



Total value of the exports: **n/a**

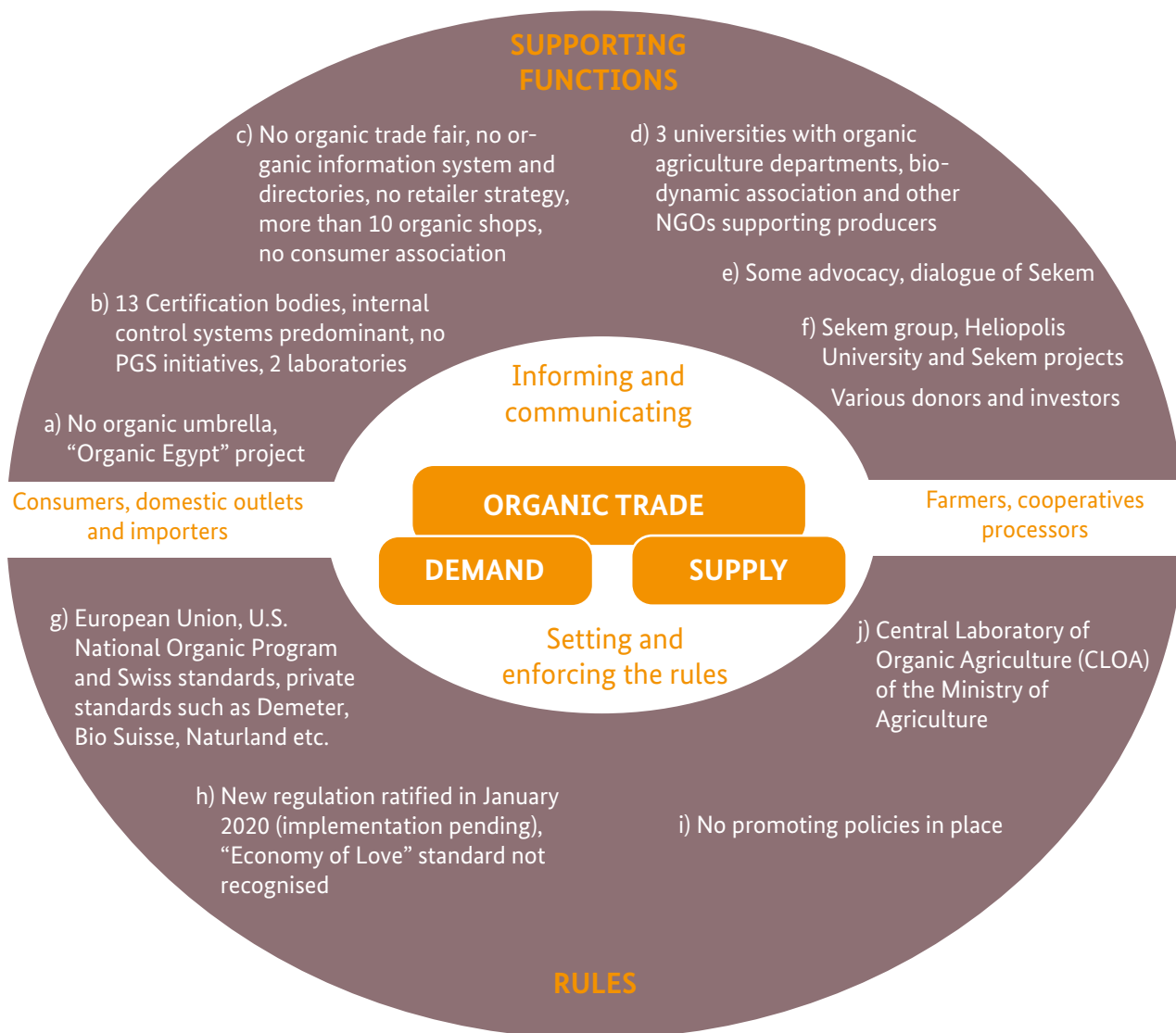


Number of specialised/overall outlets in the domestic market:  
**n/a**



Number of operators that are exporting from Egypt: **242**





**Letters in the doughnut refer to:**

- |  |                                   |
|--|-----------------------------------|
| a) Organic umbrella                              | f) Promotion & PR                 |
| b) Certification, Internal Control Systems & PGS | g) Export Standards               |
| c) Trade Facilitation                            | h) Private Standards & Regulation |
| d) Research & Advise                             | i) Promoting Policies             |
| e) Advocacy                                      | j) Trade Governance               |

## Supply chains' demand

Export demand is reported to be high and unsatisfied. According to processors their biggest challenge is to find sufficient quantity in the required quality. The problem is increasing due to a growing number of quality issues (deteriorating quality with growing population pressure, smaller farms, increasing regulatory requirements in export markets) and a fast-growing market in Europe. Local awareness for sustainability of food production and health and food safety concerns are gaining weight. Organic food is considered to be safer (due to the certification of production and the non-use of pesticide) leading to a higher demand.

## Supply chains' supply

Supply is scattered and trust between trade actors represents an obstacle. Smallholder farms are very small (1-2 ha) due to the family size and the succession traditions. As a consequence of not being able to expand production due to increasing external contamination, farmers give up their membership in internal control systems. Access to agriculture inputs (seeds, compost, bio-pesticides) is difficult. At the same time, new land reclamation projects in the desert provide new prospects and opportunities to satisfy demand. Various projects support conversion.

## Market place

Centralised business-to-business trade facilitation events and platforms do not exist. Exporters use direct relationships to importers and meet directly or at BIOFACH fair in Nuremberg, Germany.

The domestic consumer market works on three levels: a) farmer's delivery/basket scheme (to consumer and restaurants) b) specialised shops (less than 10 in Egypt) and pharmacies (for dried medicinal plants and essential oils) c) big supermarkets that offer organic brands (e.g. ISIS) or occasional fresh products.



## Supporting functions

**Organic Umbrella:** No umbrella organisation exists. “Organic Egypt” is a new project trying to empower NGOs to deliver services for producers. Egyptian Biodynamic Association (EBDA) is an umbrella for Demeter production.

**Promotion and PR:** Promotion and information for the public about organic is left to the operators, mainly to Sekem and the few direct marketing farm operations. Organic may be discussed in the media in relation to food safety or by highlighting success stories.

**Certification, ICS<sup>3</sup> and PGS:** A CERT European Organization for Certification, AsureQuality, Kiwa BCS Öko-Garantie, Controllo e Certificazione Prodotti Biologici (CCPB, branch office in Egypt), Certification of Environmental Standards (CERES), Center of Organic Agriculture in Egypt, Egyptian Center of Organic Agriculture, Lacon, Naturland, ProCert Safety, Soil Association Certification, Suolo e Salute are international certification bodies that are active in Egypt. The Center of Organic Agriculture in Egypt (COAE) and the Egyptian Centre of Organic Agriculture Society (ECOAS) are private local certification bodies that used to have the largest market stake and international accreditation. The Central Laboratory for Organic Agriculture (CLOA) is the competent authority in the Ministry of Agriculture and Land Reclamation (MALR). It accredits certification bodies and registers operations. There are two accredited quality testing laboratories in Egypt: The Central Laboratory of Residue Analysis of Pesticides and Heavy Metals in Food (QCAP) and the Pesticide Analysis Laboratory of Cairo University.

**Advocacy:** Advocacy is not common. Technical dialogue is taking place on a high level e.g. on the university level about organic policies relating to the organic legislation, genetically modified organisms or the inclusion of organic fertilisers in fertiliser subsidies. Positive impact evidence through organisations such as Sekem and Heliopolis University as well as successful land reclamation projects are welcome.

<sup>3</sup> Internal Control Systems

*Farming in Giza*



**Trade Facilitation Services:** Information about the organic sector in Egypt is scarce. Various country reports exist emphasising the need of reliable data and resource persons with an overview and access to important information such as (reliable) statistics, technical advice or market information.

**Research and Advice:** There are government-supported universities with departments dedicated to organic agriculture: 1. The Al-Azhar University with the Department of Environment and Organic Agriculture. 2. The Ain Shams University, Department of Organic Agriculture. 3. Cairo University with a Bachelor of Science (BSc) programme, 4. Heliopolis University, a private university founded by Sekem with an organic agriculture faculty. The Agriculture Research Center (ARC) of MALR researches aspects of organic agriculture (e.g. plant protection). CLOA of MALR comprises training functions. A number of NGOs supports producers.

They include the Union of Growers and Exporters of Organic and Biodynamic Agriculture (UGEOBA) (established in 1998), the Fayoum Agro-Organic Agriculture Development Association (FAODAS) (2003), Tomorrow's Youth for Organic Agriculture (TYOG), the Ecological Agriculture Protection Association (EAPA), the Egyptian Centre of Organic Agriculture Society (ECOAS), the Wafaa Society for Organic Agriculture Development (WSOAD) and the Council of Organic Agriculture within the Egyptian Agribusiness Association (EAGA).





Woman selling dried dates at a market in Siwa Oasis

## Rules

**Export Standards:** The following export standards are in use: European Union organic regulations, U.S. National Organic Program, Japanese Agricultural Standards, International Demeter guidelines, Soil Association, KRAV Economic Association and Bio Suisse standards.

**Private Standards and Regulations:** The new Egyptian organic regulation was ratified by the parliament in January 2020. It applies to the local market until further recognition by others such as the European Union.

**Promoting Policies:** Apart from the protection of varieties and aerial spraying of cotton, specific policies promoting organic production are not in place. There is no restriction to research, produce and market genetically modified organisms.

**Trade Governance:** CLOA is the highest authority for organic agriculture in the country. It employs permanent staff and offers a vast portfolio of services including organic operations registry, certification body accreditation, product specifications, research and extension, and public relations about organic agriculture. The Ministry of Trade and Industry established a committee on organic agriculture including private business representatives and ministry officials.



## Conclusions

Egypt is an important country for organic trade harbouring great potential. Challenges arise from the limited fertile space and the country's fast-growing population, which is expected to increase from 100 to 150 million people by 2050, as well as pollution along the Nile making it difficult to produce in a sensitive market. Potential lies in high value crops (MAPs), off-season products, and processed crops for local value addition both for export and growing domestic markets.

Tourism and the use of organic products in the hospitality industry is an untapped potential allowing for an increased value addition with organic products. Sekem's vision 2057 promoting organic agriculture for its own operations as well as for the whole of Egypt is gaining weight. The government's Sustainable Agricultural Development Strategy (SADS) 2030 analyses the "advantages of conversion to green economy and sustainable development" talking about the benefits of sustainability and

promoting the recycling of organic matter. It sets the target to convert 20% of land to sustainable agriculture by 2030 including 350,000 ha of land dedicated to organic agriculture, signifying a threefold increase in comparison to today. Reaching these goals could be achieved in the so-called new land with the reclamation of the desert provided access to water supply can be guaranteed sustainably and investors are found.



Man selling spices and herbs near Aswan