

Country Report: Organic Food and Farming in Egypt

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Egypt is almost the size of Britain, France and Germany combined, yet most of its 76 million people are forced by geographical factors to live along the river Nile. Only for percent of the land in Egypt can sustain cultivation and life.

The river Nile itself, winding its way in an S-shape from the South of Egypt, on the border of Sudan, to the North running into the Mediterranean Sea in a large delta triangle, can be divided into three geographical zones: the Upper Nile, the Middle Nile and the Nile Delta. Approximately 98 percent of Egypt's population is concentrated along the Nile valley, and most in the Nile Delta, clustering around the two major cities Cairo (20 million) and Alexandria (5 million). The Nile Delta itself accounts for 30 percent of the whole Nile Valley.

Geophysically, the Nile Valley divides Egypt into two desert areas: Western Egypt, which covers more than 68 percent of the country, and Eastern Egypt, which covers 20 percent. Two percent of the population lives in oasis or reclaimed irrigated desert land.

Three types of farming can be derived from Egypt's geophysical and socioeconomic factors: farming in the oasis, Nile Valley farming and reclaimed desert land farming. The organic farms in the reclaimed desert areas are generally large and modern farms, due to various political and economic incentives promoting foreign investments and lower prices for land, whereas farms in the oasis and along the Nile Valley are small.

Egypt's approximately 460 organic farms covered an area of 14'165 hectares in 2007, and almost half of the farms were located in the Middle Nile, concentrated in the region of El-Fayoum, 100 km south of Cairo. More than half of the organic farms in Egypt are 4.5 to 20 hectares in size. There are only a few farm enterprises larger than 1000 feddan (ca. 400 hectares), but they account for 20 percent of all organic farmland, and are located in reclaimed desert land in the Nile Delta and in the Upper Nile.

Due to the favorable climate conditions and access to water in the cultivation areas, crops are harvested all year round. However, some crops are typical winter crops, like cucumbers, onions, various herbs and fodder, including alfalfa. The primary summer crops are grapes, baby corn, peas, rice and cotton. Potatoes and tomatoes are typically grown all year round.

History

Historically, the development of organic agriculture in Egypt commenced with the establishment of the biodynamic farm Sekem (hieroglyphic transcription meaning 'vitality of the

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sun') in 1977 by Ibrahim Abouleish. The farm, situated on the border of desert land in the Nile Valley near the town of Belbeis in the region of Sharkia, started with 20 hectares, but expanded rapidly to 70 hectares. The first large economic venture of Sekem was the production of the medicinal compound ammoidin (a plant extract), and then manufacture of herbal teas for domestic sale and export Europe, mainly Germany. To secure supplies for a growing demand, especially for herbs and medicinal plants, Sekem leased more land and started to contract with other farmers, helping them to convert to biodynamic production methods. Similar export initiatives were taken among smallholders in the Region of El-Fayoum, which explains the large number of organic farms in this region most of which produce herbs and medicinal plants.



Organic farmer with his children picking organic hibiscus flowers for tea production

Picture: Paul Kledal, University of Copenhagen, Denmark

In 1990, Sekem founded the Centre of Organic Agriculture in Egypt (COAE) together with German and Swiss partners to serve as a local inspection body. In 1997, COAE registered as a limited liability company by Sekem, IMO (Institute of Market Ecology – Swiss based) and Demeter International for inspection and certification. Later in the same year, COAE was accredited by DAP, a German accreditation organization.

Due to dissatisfaction about pricing and contract policies among suppliers, a new certification and inspection organization was founded in 1995 - the Egyptian Centre for Organic Agriculture (ECO). Parallel to this move, the Union of Traders and Growers of Organic and

Biodynamic Agriculture (UGEOBA) was established.

In 2007, four certification bodies were active in Egypt: COAE, ECOA, and two international bodies, the Soil Association and the Mediterranean Institute of certification (IMC). COAE and ECOA certified most of the organic farms in Egypt.

Legislation

Official legislation regulating or otherwise supporting organic agriculture has not yet been issued in Egypt. However, the draft 'Regulation to produce, process and handling organic products in Egypt, Part one' is in the process of being developed. A committee assigned by the Agriculture Council in Ministry of Trade prepared this draft. In order to become effective, this draft has to be submitted to the National Assembly for ratification. When this law is ratified, it may then be submitted to the European Union for endorsement. If endorsed and accepted by the EU, crops produced and exported from Egypt will gain access to the European markets more easily. However, many Egyptian crops are similar to those of Southern Europe, and as a result of this competition, obtaining market share entry would be expected to be a gradual process.

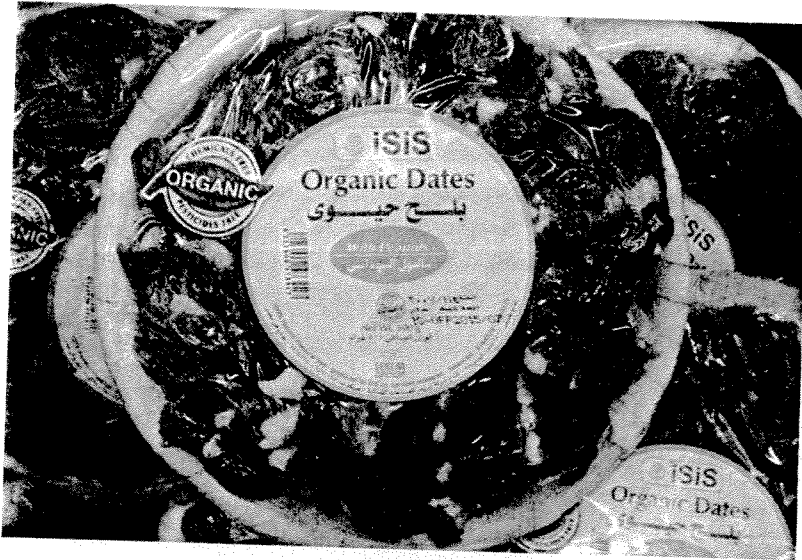
Market

Exports to Europe drive organic production in Egypt. The major crops exported are herbs, vegetables and fruits. The most important herbs are chamomile, coriander, dill, lemongrass, hibiscus, marjoram, parsley, peppermint and spearmint.

For vegetables, the most important crops are potatoes, onions, garlic, green beans, peppers and peas. The major fruit crops for export are various citrus, mangos, grapes and olives.

Egyptian organic exports benefit from the off-season supply to the European market, and especially potatoes and onions have found a niche due to storing and preservation problems of these products in countries with cold and humid climates.

Domestic sales of organic products are concentrated around the urban areas of Cairo and Alexandria. Outlets in high-income areas with a presence of affluent foreigners account for much of the market. Shopkeepers estimate 60 to 70 percent of the consumers are foreigners. The Sekem farm used to have fifteen of their own outlets in Cairo, but have now reduced the number to three, due to expanding sales of their products through supermarkets like Carrefour, Metro, Alfa, and Spinneys. Most of the outlets selling organic products are placed in large shopping malls. Many pharmacies in Cairo sell organic medicinal plants, essential oils and teas, and in all the types of outlets mentioned above, Sekem is the main supplier.



Package of Egyptian organic dates from SEKEM under their brand ISIS

Picture: Paul Kledal, University of Copenhagen, Denmark

Future prospects

Growth in the Egyptian organic sector aimed primarily for export could be expected to take place in the eastern part of the Nile Delta, northern part of the Sinai desert, as well as in the Upper Nile. These areas are connected to governmental land reclamation plans, and are supported by a good infrastructure linked to both harbor and airport facilities. Likewise, the tourism industry, which has become the most important contributor of foreign funds to the Egyptian economy, could be an area of future domestic growth. Organic farms in the Upper Nile are expanding through sales to hotels and restaurants in tourist places like Luxor, Hurghada and Sharm el Sheikh on the Sinai Peninsula.

However, the individual market actors face high transaction costs in searching, coordinating and establishing trustworthy partnerships, as well as in achieving the critical supply demanded by modern supermarket chains, whether domestically or for export. In this regard, small farmers often complain that they can only sell one or two of their products with premium prices. The rest, which are necessary parts of the crop rotation system, are often sold through conventional channels. Similarly, the lack of a regulation for organic agriculture in Egypt automatically creates higher costs and necessitates additional control measures for producers and exporters.

Therefore, there is an urgent need for governmental action to ratify the regulation to govern organic agriculture and to begin building institutions to support organic farmers. The government can also play a crucial role in improving market access and helping smallholders to establish marketing or producer associations, which would aid in the development of supply chains.

Websites

www.ecoa.com.eg; www.coae.com.eg; www.sekem.com