

ICAC Research Associate Program 2015 Egypt Report



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Introduction



Cotton has been the major cash crop for both the Egyptian farmers and the government for centuries, farmers relied on cotton returns for their major events and spending, they used to marry buy new furniture, new land...etc. after selling their cotton. For the government, cotton contributed in the country's major projects and government spending as we used to export cotton in return for weapons during the years of war 1967-1973 and beyond.



Cotton has an extreme importance to the Egyptian textile sector as well as to the foreign trade. However, significant drops in the domestic production have continued to necessitate imports of cotton of considerable quantities.

Cultivated Varieties:



- 1) Extra-long staple (ELS >35mm)
Giza 45, Giza 93, Giza 87, and Giza 88
- 2) Long staple (LS 32-34mm)
Giza 86, and Hybrid (10229 x Giza 86)
- 3) Long staple cotton (LS 30-32mm)
Giza 90, and
Hybrid (Giza 83 (Giza 75 x 5844) x Giza 80)



Marketing

On March 4, 2015, the Ministry of Agriculture and Land Reclamation, based on Presidential Decree 14/2015, established the Contract Farming Center. The center will provide services for producers and buyers who have signed contracts, which include contract registration, market information, sales leads, and a dispute settlement mechanism.

Prices



There are calls for establishing Cotton Prices Stabilizing Fund that starts with a government subsidy and continues by taking a certain fee in the high price years and offers compensations and subsidy in the low price years, as a price risk management tool to avoid sharp price fluctuations.