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## Egypt has been looking to other sources to satisfy its wheat

Egypt's General Authority for Supply Commodities (GASC), the country's grains buyer, announced on July 17 a tender for an unspecified amount of wheat from the United States, Canada, Australia, Argentina and Brazil.

With shipments from Ukraine – traditionally one of Egypt's largest wheat suppliers – severely limited because of its war with Russia, Egypt has been aggressively looking to other sources to satisfy its wheat needs.

In recent weeks, GASC has contracted 1.28 million tonnes of wheat from France, Romania, Russia and Bulgaria, which are scheduled to be shipped to Egypt from July through October. It also has inked trade deals with India, which would have been an unlikely source for imports in years past.

Egyptian officials have indicated that the country needs to import at least five million tonnes of wheat in the 2022-23 marketing year.

Egypt also is aiming to increase domestic wheat production.

According to the US Department of Agriculture's Foreign Agricultural Service (FAS), Egypt is projected to produce 9.8 million tonnes in 2022-23, which is 800,000 tonnes more than last year's record total.

Egypt, the world's leading wheat importer and among the leaders in wheat consumption per capita, currently has enough wheat stocks to last six months, according to government officials.

The G7 is standing by its commitment to support Egypt through this crisis caused by Russia's war. They are enhancing the cooperation with Egypt to meet this crisis, through increased support for:

The World Food Program's activities in Egypt

Regional frameworks such as the Global Alliance for Food Security (GAFS) or

The Food and Agriculture Resilience Mission (FARM), or

Support to the Government of Egypt through bilateral assistance like the EU food facility and national frameworks.

Russia has failed to offer such support.

The US Embassy declared that they are closely consulting with Egypt and other regional partners on this crisis, for example in

the Mediterranean Dialogue on the Food Security Crisis that took place in Rome last week; the May 18 US Secretary of State's Global Food Security Call to Action Ministerial at the United Nations; the visit to Cairo of European Commission President Ms von der Leyen and the upcoming Uniting for Global Food Security conference in Berlin.

On the other hand, Reuters reported that Egypt canceled contracts for 240,000 tonnes of Ukrainian wheat that were booked for delivery in February and March but never loaded because of Russia's invasion of Ukraine.

Egypt's General Authority for Supply Commodities (GASC) released the trading companies supplying the four unloaded cargoes, Nibulon and Inerco, from the contracts.

Earlier, GASC had provided an extension to provide the wheat, if necessary, from other origins.

Russia and Ukraine signed an agreement last week to restart Black Sea grain and fertiliser exports. It is unclear if the GASC contracts were canceled before the deal was signed.

Egypt is one of the world's largest wheat importers and relied heavily on Black Sea shipments. Since the war, it has diversified wheat supplies, purchasing more than a million tonnes in July.

The four canceled cargoes were bought in December at prices between US\$346 and US\$360 per tonne, including shipping costs. The fifth loaded cargo is stuck at Ukraine's Chornomorsk Port but is expected to sail once it has the green light from port officials, according to traders.

Due to global supply concerns, Egypt, perennially among the world's largest wheat importers, will allow wheat shipments with a moisture level of up to 14 percent for a year, up from 13.5 percent, Reuters reported, citing a trade ministry document.

Egypt usually sources most of its wheat from Russia and Ukraine, where conflict has disrupted its purchases of relatively cheaper Black Sea wheat and inflated global prices. The North African country received 82 percent of its wheat from Ukraine and Russia in 2020, and a March 2022 US Department of Agriculture (USDA) report estimated Egypt would import a total of 12 million tonnes of the staple food crop in 2021-22.