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Destruction of Egyptian Rice**

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Policies to Starve Egyptians: Destruction of Egyptian Rice

Dr. Abdel-Tawab Barakat

On August 23, 2022, the [Egyptian Minister of Supply and Internal Trade](#) issued a ministerial decree compelling rice farmers to supply one ton of the crop per acre for the Egyptian Supply Commodities Authority, equivalent to 25% of the feddan's productivity. A ton of rice to be supplied was priced from 6,600 to 6,850 Egyptian pounds based on the grain size.

The supply minister stressed that in the event that farmers refrain from the compulsory delivery of the specified quantity, they shall be punished by deprivation from cultivating rice in the following year, in addition to non-delivery of subsidized fertilizers and agricultural pesticides to all types of crops for a period of one year. Also, a fine of ten thousand Egyptian pounds was imposed for each undelivered ton, according to [Ministerial Decree No. 109 of 2022](#).

The decision confirms Sisi's policy, which has always targeted the destruction of strategic crops of great significance for achievement of Egypt's food security, including wheat, rice, cotton and sugar cane, by imposing low prices that do not achieve a profitable margin, and even lead to losses, which distracts farmers from expanding cultivation of such crops in next season in favor of other marginal crops, such as cantaloupe and super-seed watermelon.

Quality of Egyptian rice

Rice is one of the main food grain crops in Egypt, on which the majority of Egyptians rely for their food. Moreover, it is also the most successful food crop in Egypt at all, where rice is considered a substitute for the loaf of bread, succeeding it in order on the tables of Egyptians, both the poor and the rich.

It is the only crop where Egypt has been self-sufficient for many years, providing an export surplus of about 48% of the total [production](#) in 2011.

The area cultivated rice increased after the January revolution, at rates exceeding 30%, ranking first in agricultural exports by about 32% in 2012. The Agricultural Crops Export Council announced in June 2013 that Egypt occupied the eleventh place among the [rice-exporting countries](#), where the

data of the Central Agency for Public Mobilization and Government Statistics stated that the volume of Egypt's production of rice in (2012-2013) amounted to 5.7 million tons.

Egypt occupied the first place globally in productivity of the area unit, starting in the new millennium, with a productivity of 10 tons per hectare, outperforming pioneering countries in rice cultivation such as China and Japan, according to a statement by Dr. Hamdi Mawafi, winner of the gold medal at the Geneva International Inventions 2022 for inventing a rice type that gives a productivity of 6 tons per acre and saves 30% of water, fertilizer and seeds compared to [traditional types of rice](#).

Reduction of rice cultivated area

Only two months after the July 2013 coup, Minister of Water Resources and Irrigation Mohamed Abdel Mottalib said that Egypt may resort to suspension of rice cultivation in the future, which reveals early intention to fight rice cultivation under the pretext of the [limited irrigation water](#).

In 2014, the ministers of Irrigation and Agriculture issued a decree, limiting the areas to be cultivated with rice to only one million and 76 thousand feddans (acres), claiming to reduce the waste of limited irrigation water, with the application of fines to [violating](#) the rice cultivation limits.

In 2015, Minister of Water Resources and Irrigation Hossam Moghazi launched a national campaign to remove the illegal rice cultivations, which he then said it posed dangers to the limited water wealth, as only 1.076 million acres of rice were allowed to be cultivated with rice in 2015. In 2016, the areas cultivated with rice were reduced to [700 thousand acres](#) instead of one million and 100 thousand acres.

However, in January 2017, Maghazi, himself, after being dismissed from his post, admitted that reducing areas cultivated rice or depriving some governorates of rice cultivation would lead to [social and economic problems](#).

It is noteworthy that in 2016, when the [Ministry of Irrigation](#) announced reduction in the rice cultivated area, by at least 13.5%, the government targeted a purchase of two million tons of local rice and set the price at EGP 3000 per ton, about 160 dollars, but it failed due to the farmers' reluctance to sell their production due to the low price, [less than half the market price](#), where the market price amounted to EGP 6000 per ton.

In response, the government announced a tender to import [Indian rice](#) after the rice stock reached zero, where the Ministry of Supply sold the Indian rice to citizens at EGP 8 per kilo, which is the same price as Egyptian rice, which the government had rejected, at a time when Indian rice was sold in Gulf markets at half the price of Egyptian rice!

In 2018, the Sisi regime introduced amendments to the Egyptian Agriculture Law, in force since 1966, which punishes rice farmers with imprisonment up to 6 months, and a fine of up to EGP 20,000, to those who grow rice outside the authorized areas, where the penalty had been limited to a fine of [no more than EGP 50](#). When the government reduced the rice cultivated area to [724,000 feddans](#), this created a consumption gap estimated at about 3 million tons, where the state undoubtedly transferred to imports.

This is what actually happened when Sisi ordered the import of rice from abroad.

Reducing the areas allowed for cultivation of rice from year to year, increasing fines imposed on violating farmers and imprisoning them under the pretext of farming without a license, led to a decline in production and its inadequacy for local consumption as well as for export.

During September 2022, the government imported rice from India at a price higher than the prices proposed by Egyptian traders before the crisis by about 3,000 Egyptian pounds per ton, which is a waste of public money.

The important question here is, how can the area of rice be reduced despite the increasing population, where rice is the strategic crop that supports food security, noting that the rice area was 1.6 million acres in 2006, but it declined to only 724,000 acres in 2017.

Charging low prices

In October 2016, the government canceled a [tender](#) to supply local rice due to farmers' refusal to sell rice at a price of EGP 3000 per ton, the price imposed by the government, while the market price reached EGP 4,500 per ton, despite recognition that the rice balance had reached [zero](#). In attempt by the regime to cover its failure to provide rice in 2016 and to confront its high prices and lack of supplies in groceries, it issued a tender to import Indian rice instead of local rice, although local production was overconsumption, as the annual consumption was estimated at 3 million and 400

thousand tons, but the production was estimated at about 4.5 million tons, with more than one million tons as a surplus!

The Indian rice imported by the government was of lower quality, compared to Egyptian rice, and its price was not less than 410 dollars per ton, which means that its price would not be less than EGP eight per kilo, which is the same price offered by traders for the Egyptian rice that the minister rejected!

Moreover, the regime decided to take revenge on rice farmers, so Sisi adopted a plan to reduce the area cultivated with Egyptian rice from one and a half million acres to only 700 thousand acres, a decline by 50%, with collection of a fine of 3,700 Egyptian pounds for each acre of rice, violating the cultivated area limits.

It is noteworthy that the annual water consumption of the rice crop does not exceed 6 billion cubic meters out of Egypt's total share of the Nile water, which amounts to 55.5 billion cubic meters.

Export suspension, then turning to import

In November 2013, the Sisi regime banned the export of rice to protect the local market and ensure low selling prices, according to the Egyptian government's justifications. However, members of the Rice Division of the Federation of Egyptian Industries' Chamber of Grain Industry accused Mounir Fakhry Abdel Nour, the Minister of Industry and Trade after the coup, of corruption by allowing a [non-Egyptian merchant](#) to export rice.

In 2014, rice was cultivated on an area of 1.37 million feddans, a decrease of 3.9% compared to the previous year, with production amounting to 5.5 million tons per year, a decline of 4.5%. In October of the same year, the government agreed to open the door for export to about one million tons worth one billion dollars, of which 280 dollars for each ton of rice exported would be transferred to the state treasury. But in late August 2015, the Egyptian government decided to [suspend](#) the export of all types of rice for a year, as of 1 September 2015.

In 2015, according to the data of the Central Agency for Public Mobilization and Statistics, 1.22 million feddans were cultivated with rice, compared to 1.37 million feddans in 2014, a decline of 11%. The quantity of production amounted to 4.82 million tons, compared to 5.47 million tons in 2014, a decline

of 11.9%. In October of the same year, the Egyptian Ministry of Trade and Industry decided to allow once again the export of rice for a period of six months, with a fee of 255 dollars per ton. In fact, imposing duties on rice exports is a punitive policy for farmers and exporters, while the state provides an [export incentive](#) for the rest of exports.

Why would the government impose an export fee on rice, while it offers export incentives to exporters of non-strategic crops, such as oranges, strawberries and potatoes?!

In fact, the policy of importing foreign rice destroyed the giant local rice milling industry, which employs 7 state-owned companies and hundreds of private mills, leading to displacement of 25,000 workers operating in this industry, where the mills stopped for months and then years.

Who benefits?

The only beneficiary of destruction of Egyptian rice milling industry is the United States, as it is the biggest competitor to Egypt in production of broad-grain rice, where Egypt used to account for 20% of the global rice trade volume, until Sisi has removed it from the global market.

On 5 April 2017, a delegation from the US Department of Agriculture visited Egypt, where Greg Wilding, a member of the delegation and representative of the American Private Rice Producers Association said that American rice farmers benefited so much from the absence of its Egyptian counterpart in the Middle East markets, where the American rice has replaced it in the Gulf countries, Turkey and Jordan because of the ban on its export in Egypt.

Morsi's policy

One of the policies adopted by late President Mohamed Morsi with the aim of achievement of food security was to support rice farmers with offering incentive prices.

At a conference celebrating the Farmer's Day, three months after his election in September 2012, Morsi decided to raise the price of supplying rice from EGP 1,400 per ton to EGP 2,050. This decision eliminated the merchants' monopoly on rice prices, which did not then exceed EGP 1450 per ton.

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Morsi also removed the financial fines imposed on farmers by the Mubarak and the Military Council governments, which had aimed to prevent expansion of rice cultivation. During his only year in power, the rice cultivated area for the first time reached about [1.9 million feddans](#) in the 2012/2013 seasons.

Morsi also assigned the Ministry of Supply to buy rice directly from farmers and build a strategic stockpile, where the ministry bought 800,000 tons, a strategic reserve that no government has achieved before or since. Moreover, the price of rice within the supply commodities system remained at only EGP 1.5 per kilo, with 2 kilos allocated per citizen a month¹.



¹ The views expressed in this article are entirely those of the author's and do not necessarily reflect the views of the Egyptian Institute for Studies