

The Egyptian Citrus Industry

By Khaled Abdel Rahim

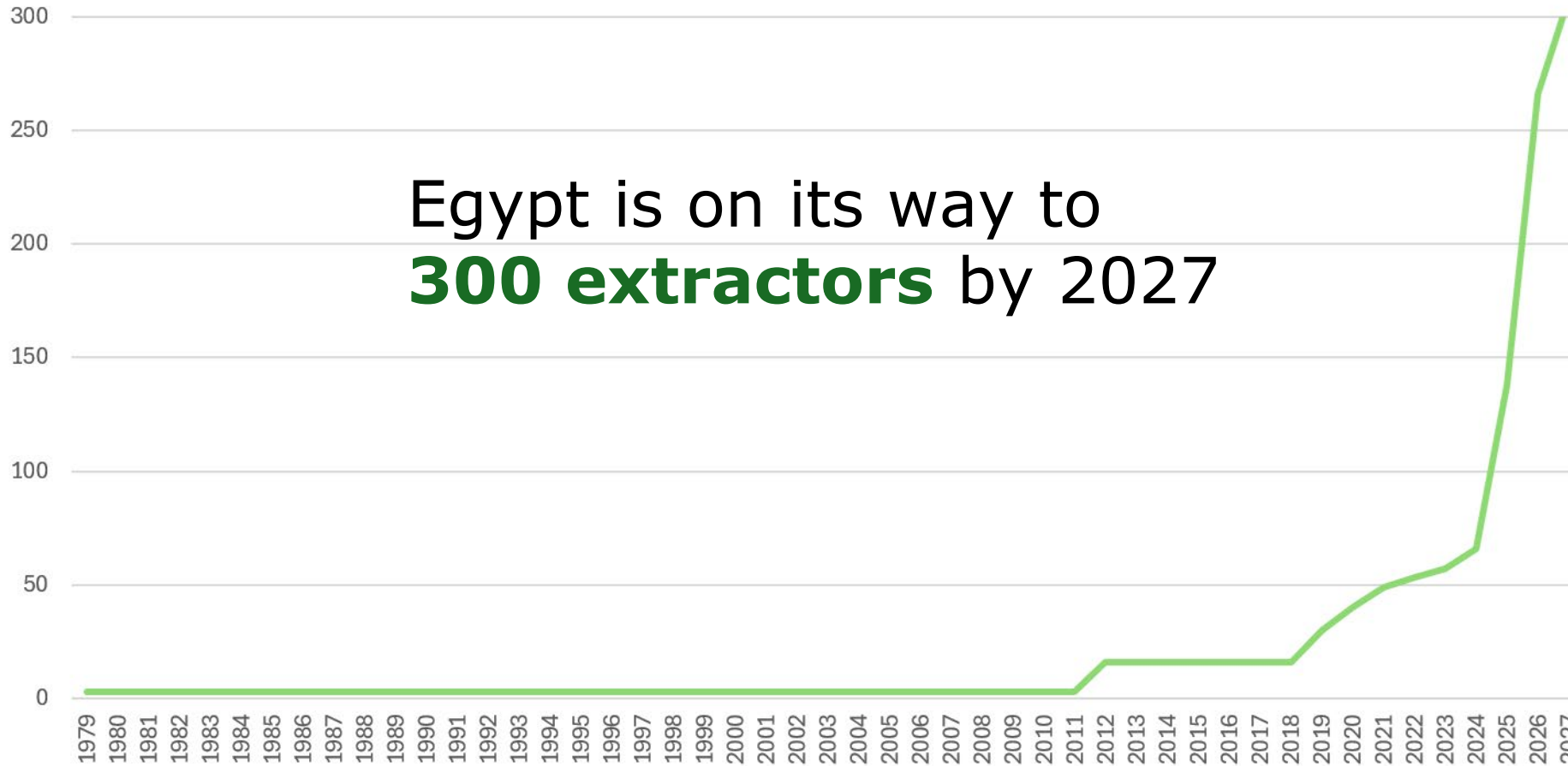


Agrumaria
Reggina



The Number of Extractors in Egypt (1979- 2027)

Number of Extractors from 1978 - 2027



Egypt is on its way to **300 extractors** by 2027

Is this growth trajectory sustainable?

Or is this just a hype? And why?

Let's try to find out...

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1. Background information
2. Are there enough Oranges for the expected processing capacity?
3. Are the prices of these Oranges acceptable to the processors?
4. How can we move forward from here?

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1. Background information

- **My Background**

- **Egypt Background**

2. Changes for the expected

pro

3. Are the prices of these Oranges acceptable to the processors?

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My Background

Chapter 1: My Family's joint venture with Döhler

Chapter 2: Refurbishment of a 1978-Built FMC line

Chapter 3: New joint-venture with Agrumaria Reggina

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Overview on Egypt's Unique Advantages for Citrus

- Population: 115 million people
- GDP: 395 Billion USD
- Optimal Mediterranean Climate
- Orange: Mainly Valencia
- Availability of Agricultural talent
- Government appetite for agricultural Investment



Overview on Egypt's Unique Advantages for Citrus

Geographic location (EMEA)

- Low lead times into Europe (1-day)
- Ports on both sides of the Suez Canal
- Trade Agreements
 - EUR1
 - GAFTA
 - COMESA
 - Mercosur



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- **The Supply**

3. ...
to ...

- **The Demand**

Oranges acceptable

4. How can we move forward from here?

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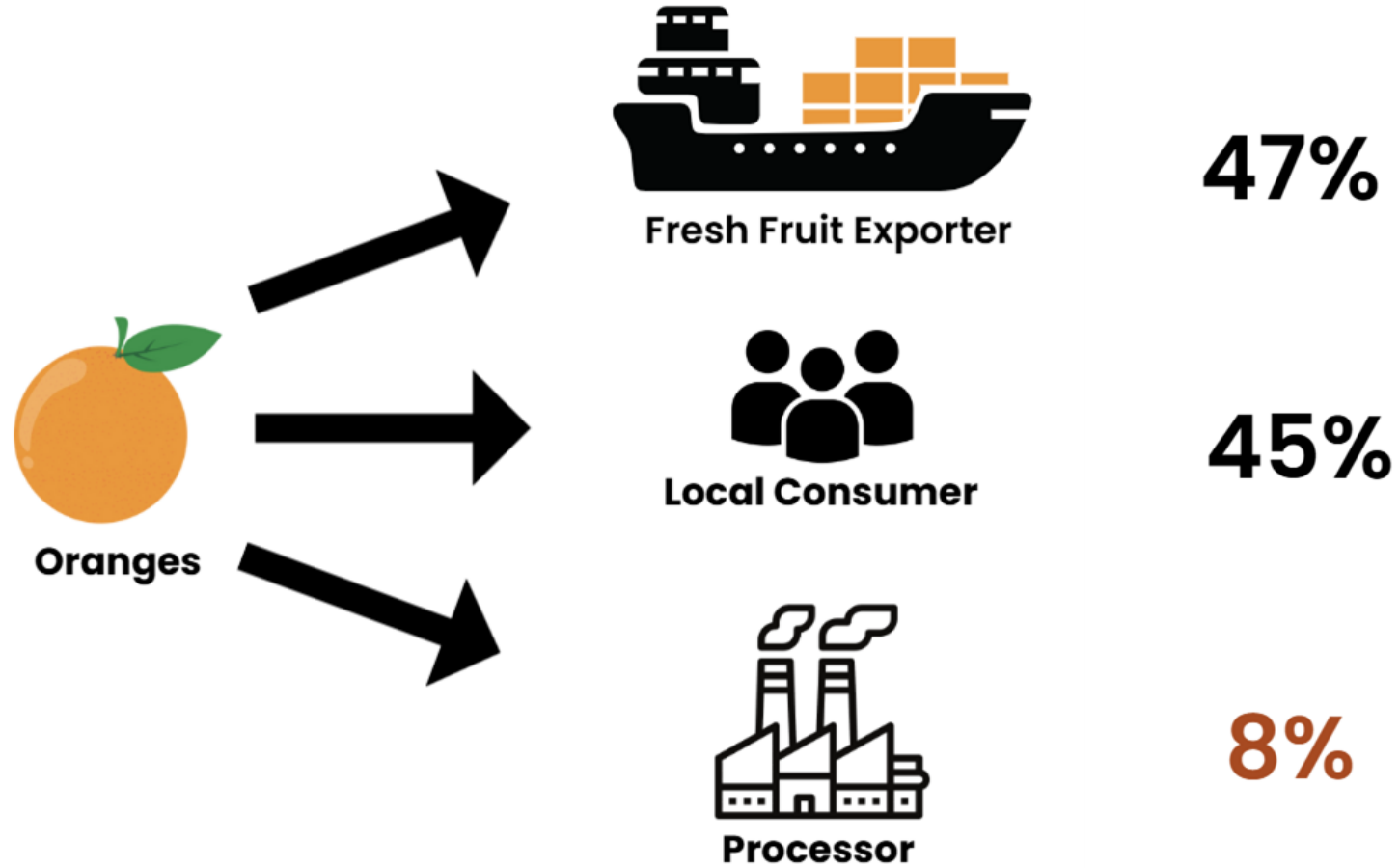
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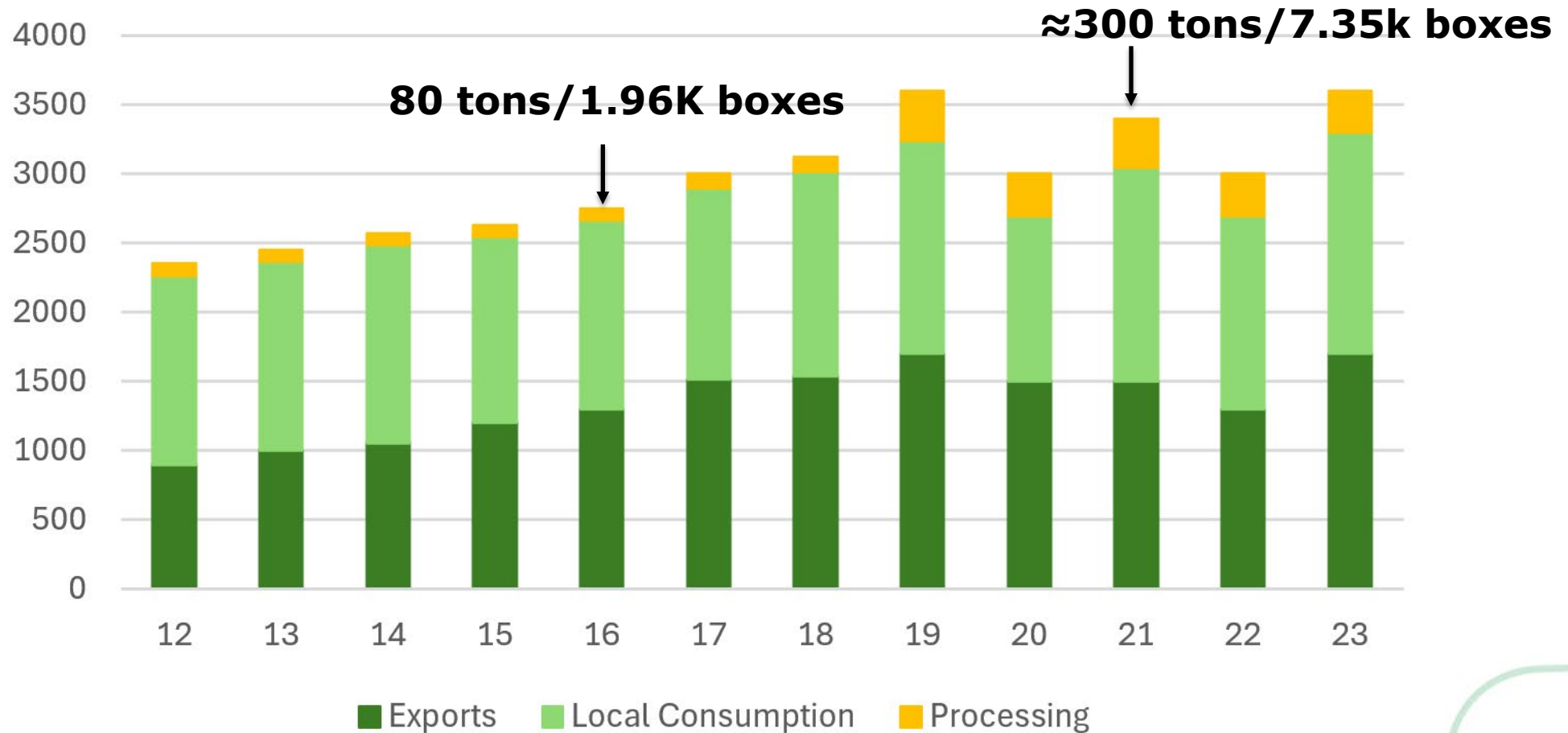
4. How can we move forward from here?

Egypt Production of Oranges in 2023



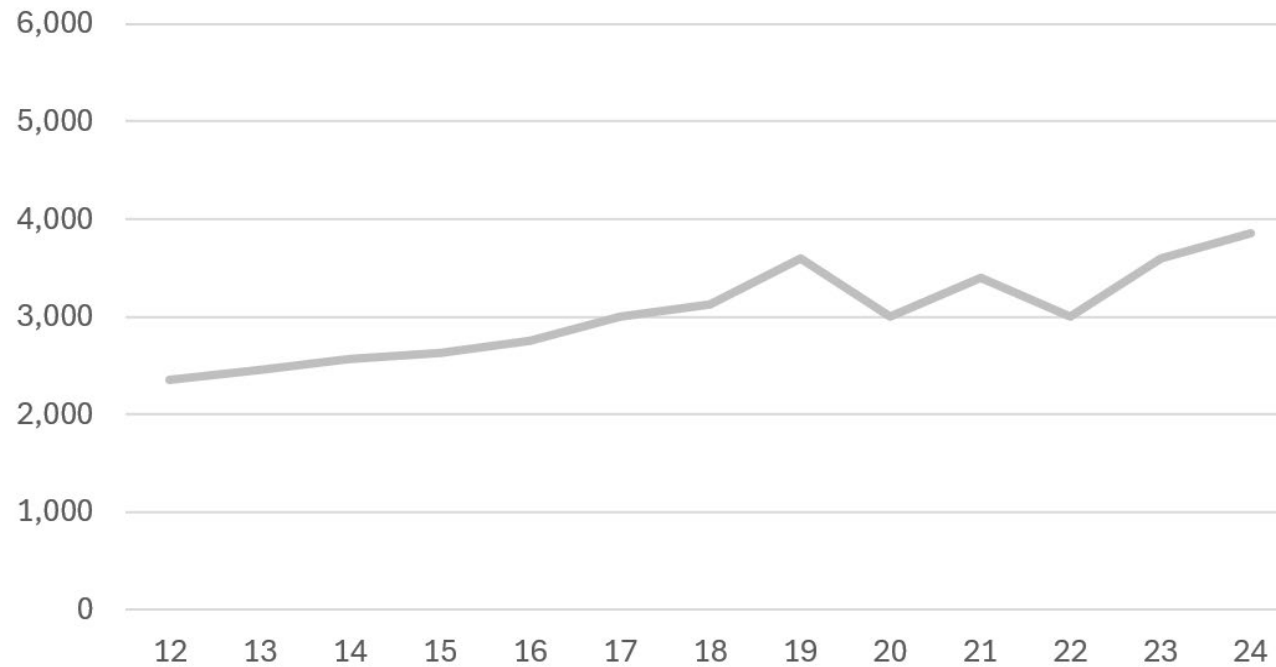
Production Figures relatively stable over the past 12 years

Historic Distribution in kTons of fruit



Total Amount of Fruit

Total Amount of Fruit from **2012 to 2024**



**Peaking to approximately 3.8 million tons
/93 million boxes in 2024**

Total Fruit Forecast

Two scenarios

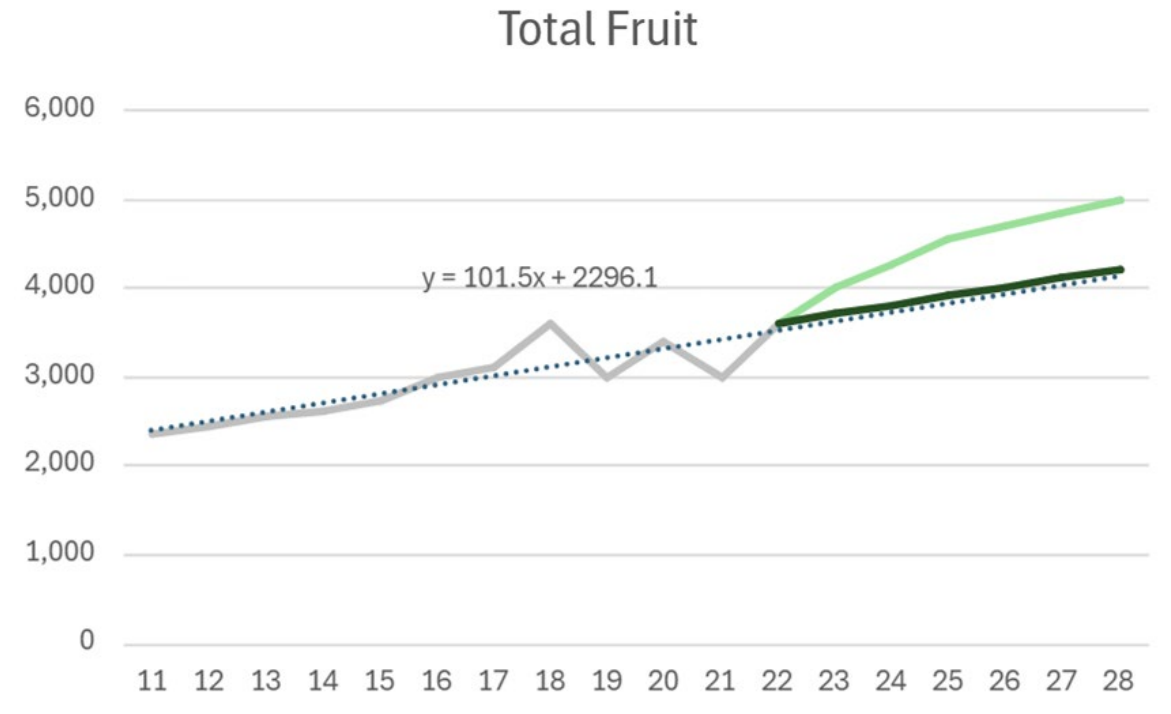
By 2027 we should be between

4.1 million tons (Linear)

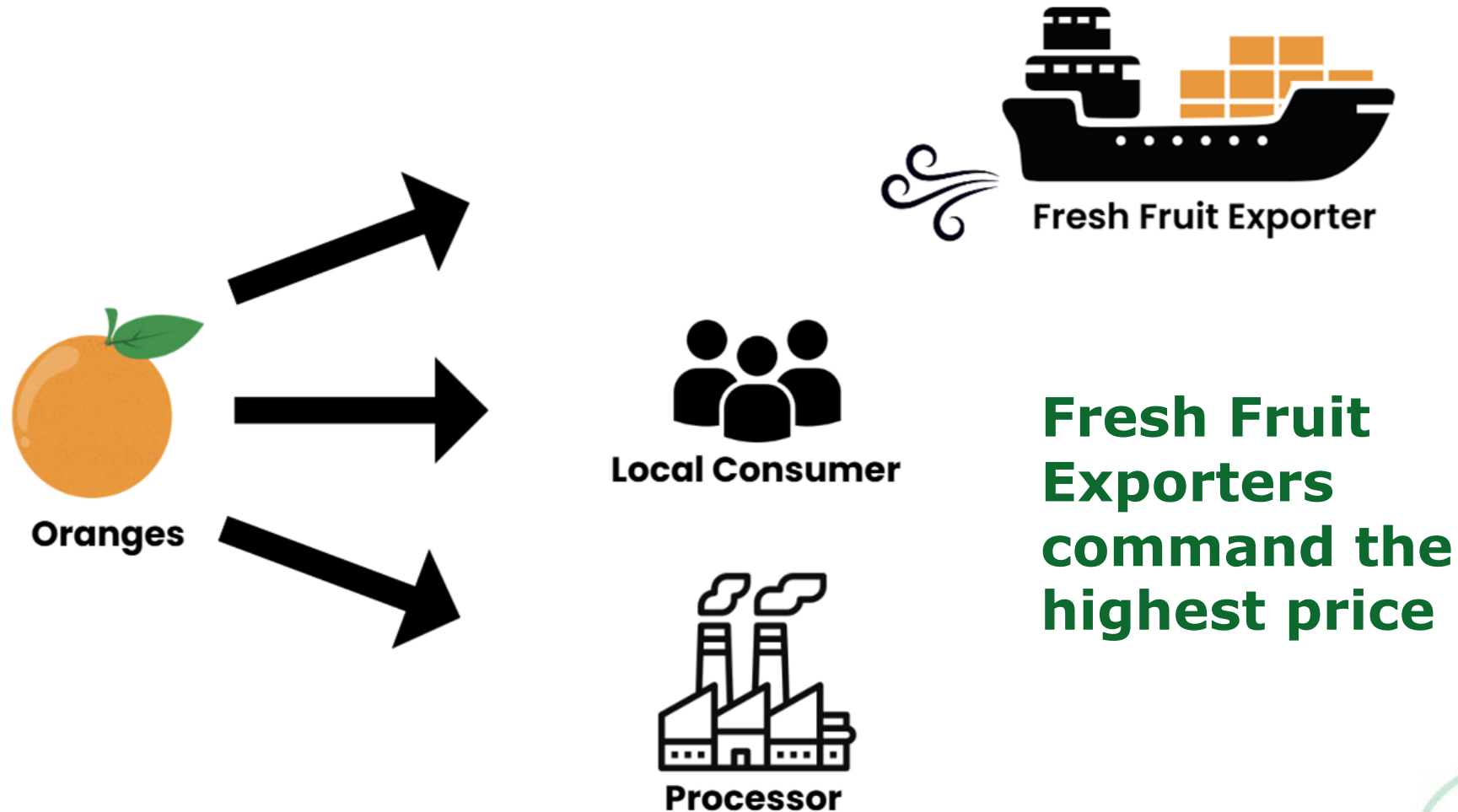
=100 million boxes

4.9 million tons (Optimistic)

=120 million boxes



Not all of the Fruit is accessible to the Processors



Export Figures Forecast

Two scenarios

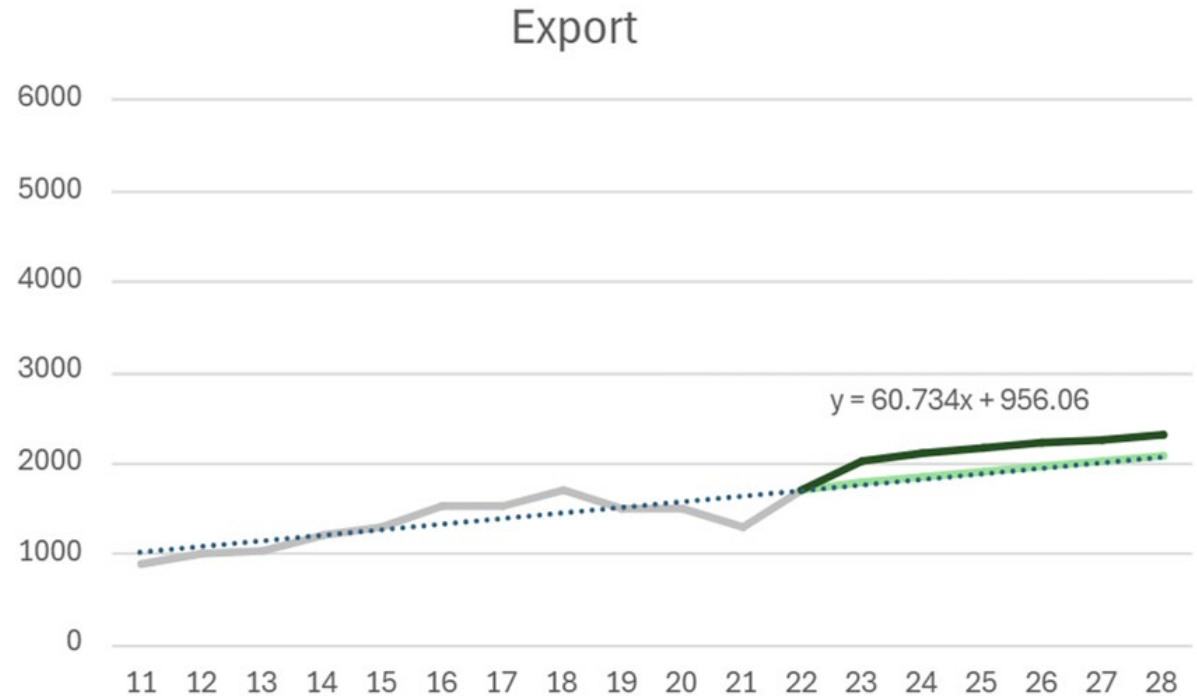
By 2027 we should be between

2 million tons (Linear)

= **49 million** boxes

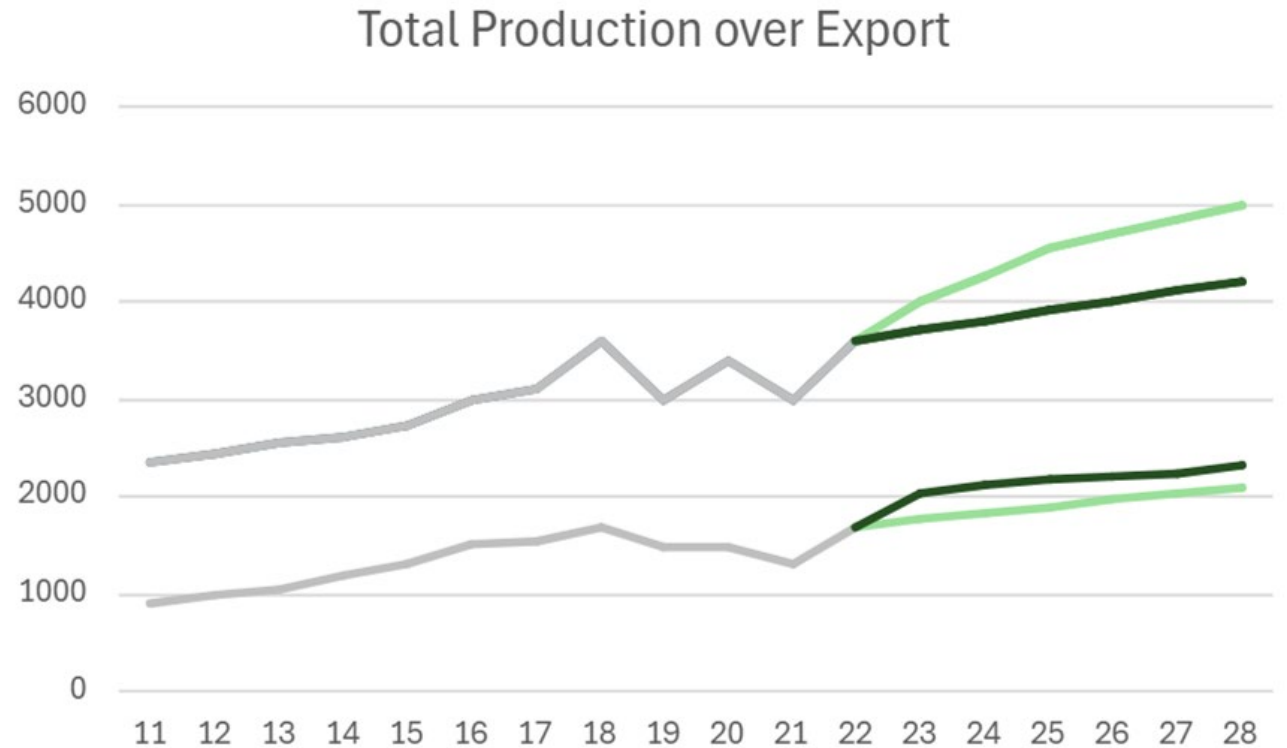
2.25 million tons (Optimistic)

= **55 million** boxes



So.... How big this "Pool" will be? (2025-2028)

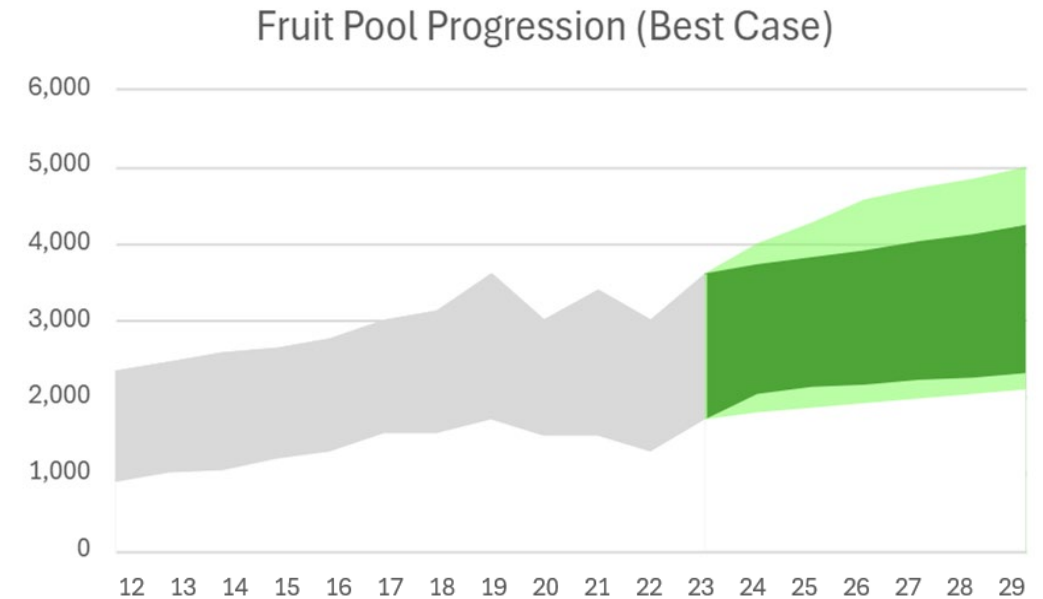
By subtracting
the **exported fruit** from
the **total fruit** we can
arrive to the size of our
remaining **Fruit Pool**



So.... How big this "Pool" will be? (2025-2028)

Having this pool in 2027 at

- Best case (light green)
2.6million tons
=63.7 million boxes
- Worst case (dark green)
1.9million tons
=46.5 million boxes



The Available "Pool" of Oranges

To serve all local consumers and processors

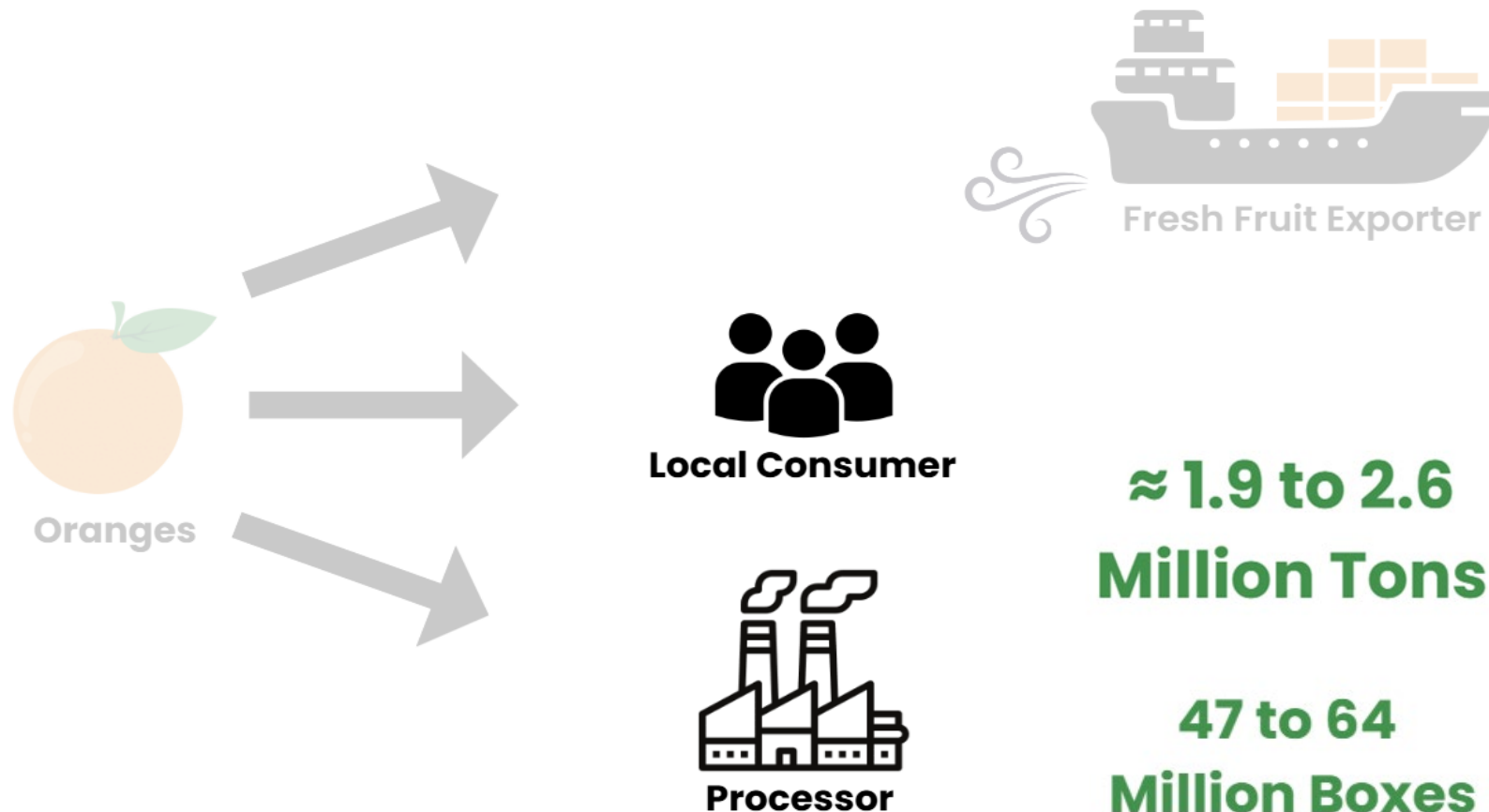


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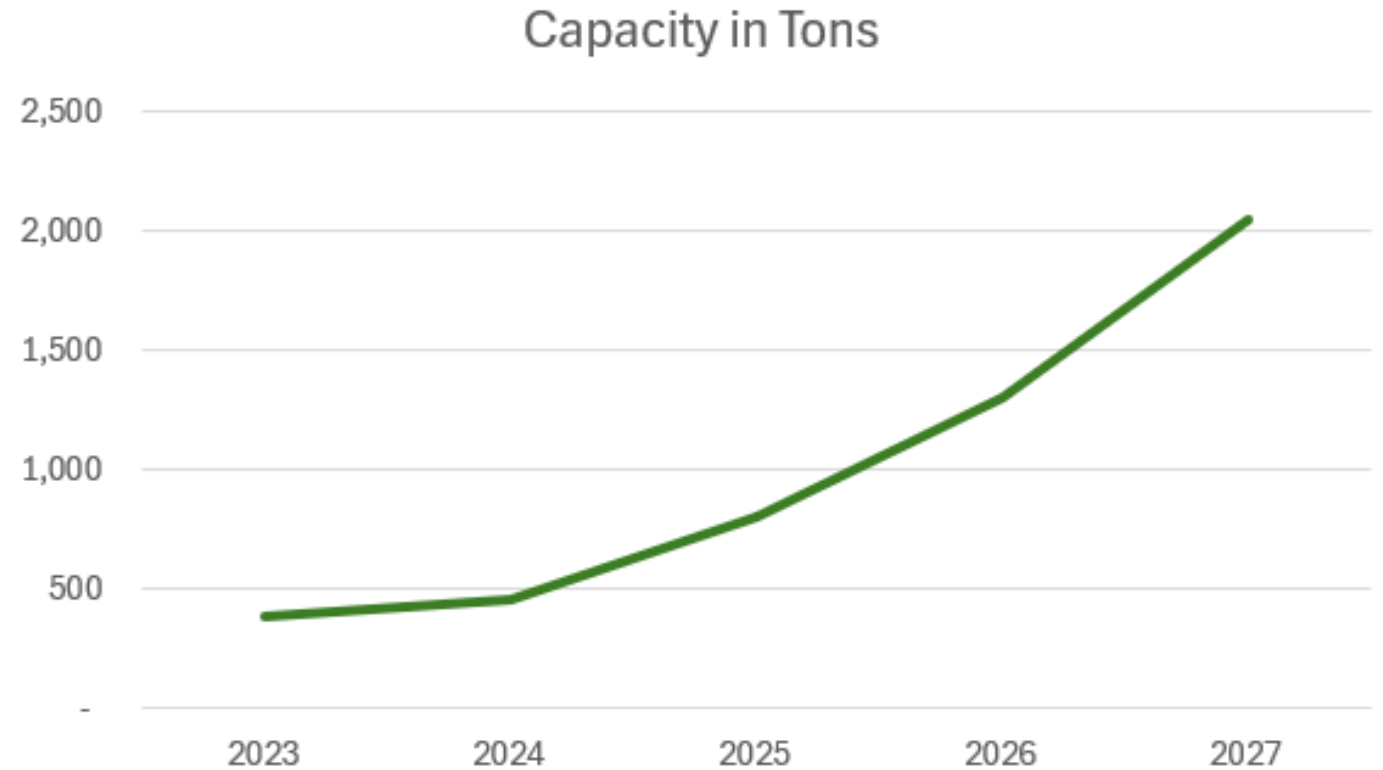
Number of Extractors from 1978 - 2027



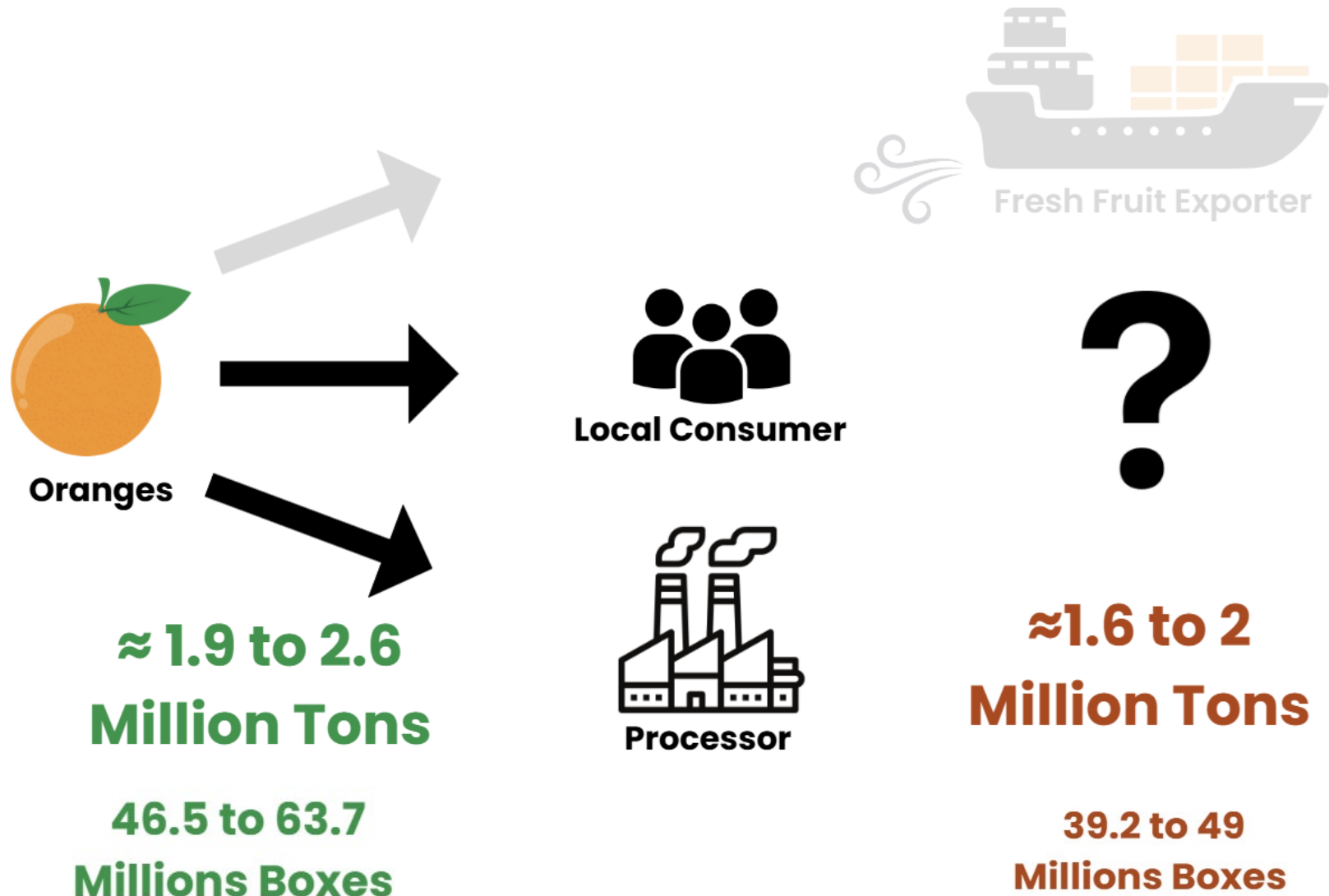
Egypt is on its way to **300 extractors** by 2027

Capacity at 300 Extractors by 2027

By 2027 at **300 extractors** we can assume a requirement of around **1.6 - 2 million tons** (**39.2 -49 million boxes**) of Fruit



By 2027, Processors Will Need at least 1.6 Million



The Stakes are set...



Local Consumer

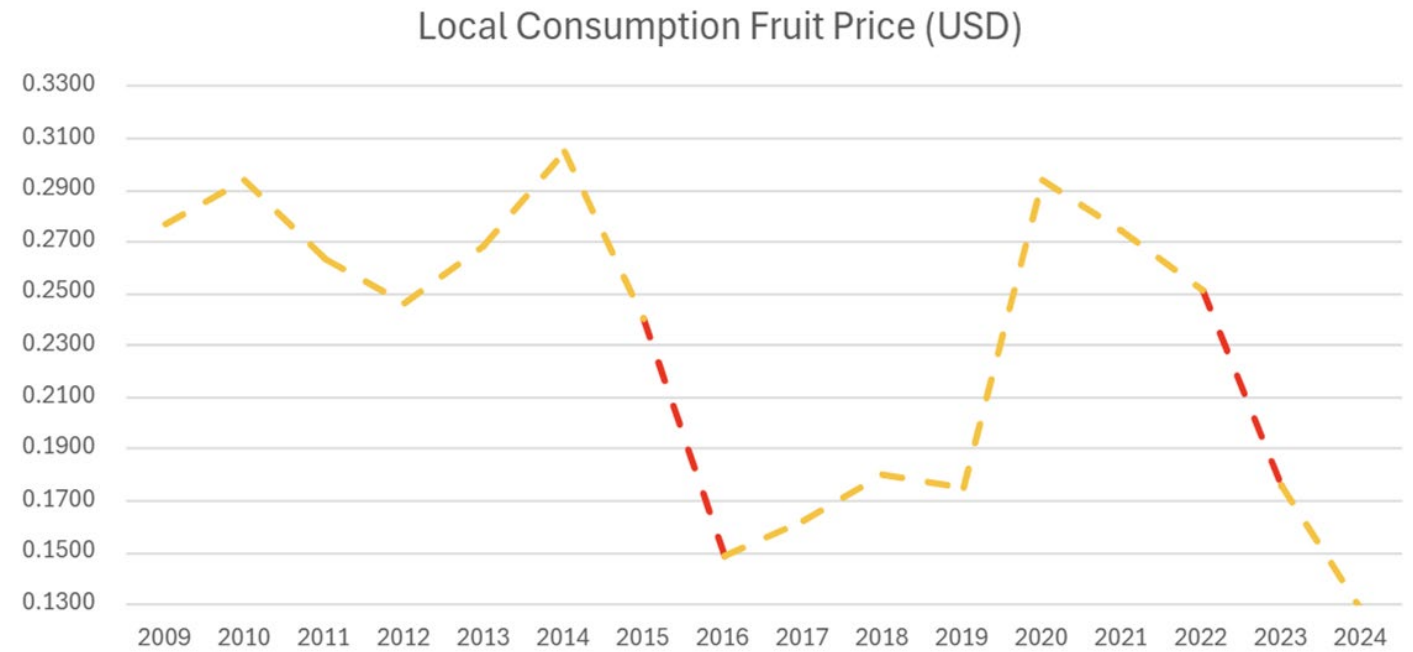
VS



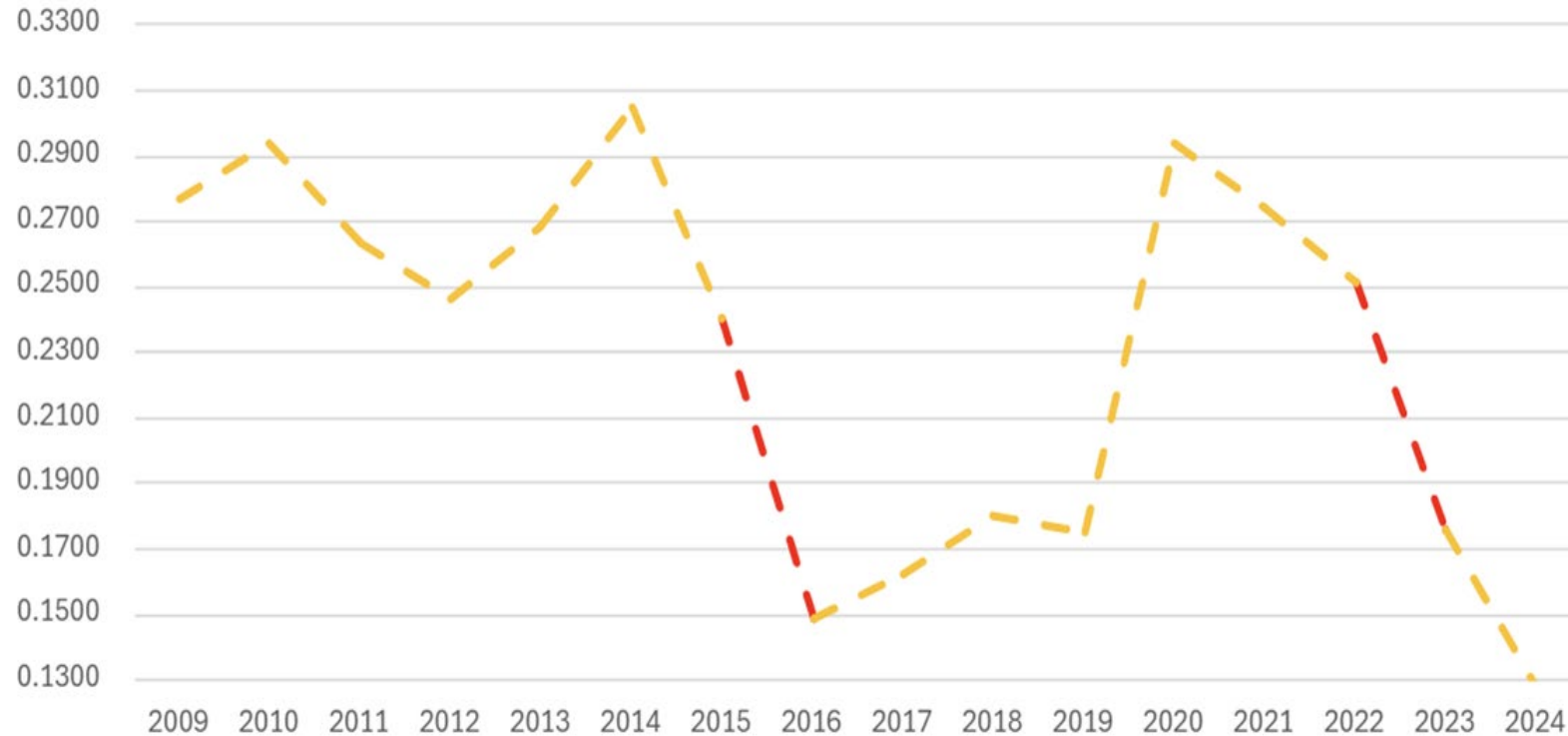
Processor

Historical Local Consumption Price

Era	USD/EGP FX Rate	Price/Ton
2009-2015	6.5	275 USD
2016-2019	17.5	166 USD
2020- 2022	15.74	275 USD
2023- 2024	48.5	152 USD



Local Consumption Fruit Price (USD)



There is a **cyclical nature** to the purchasing power of the local fresh fruit market.

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4. How can we

- **What happened in 2024?**

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What is the Break-Even Point?

$$\text{B.E.P} = \$ - \left(\$ + \text{Operating Costs} \right) = 0$$

Break Even Point **Selling Price** **Fruit Price** **Operating Costs**

What is the Break-Even Point?

B.E.P

break even point



Fruit Price

+



Operating Costs

=



Selling price

Local Fruit Price vs. Processing B.E.P.

65° (FCOJ) 3500
USD = B.E.P. of
Fruit is equal to
26cents/kg
=\$10.6/box

Local Fruit Price vs.
Processing break-even point

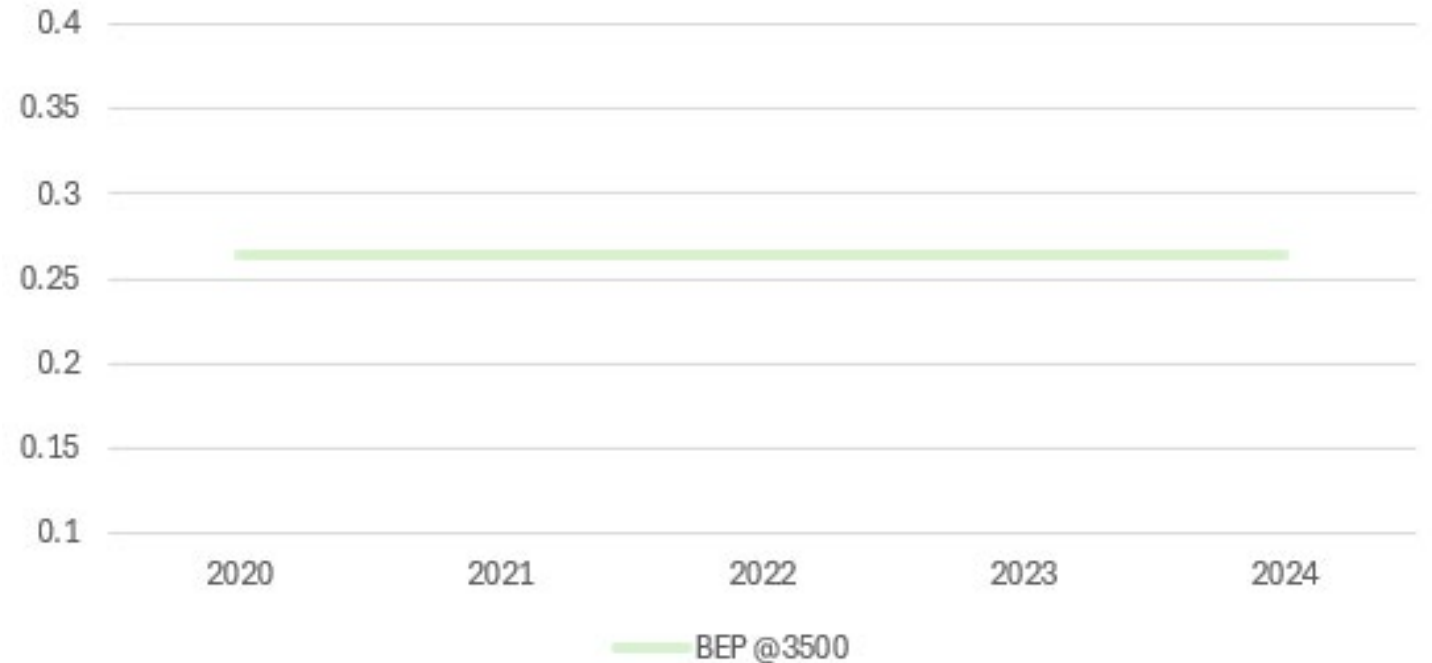


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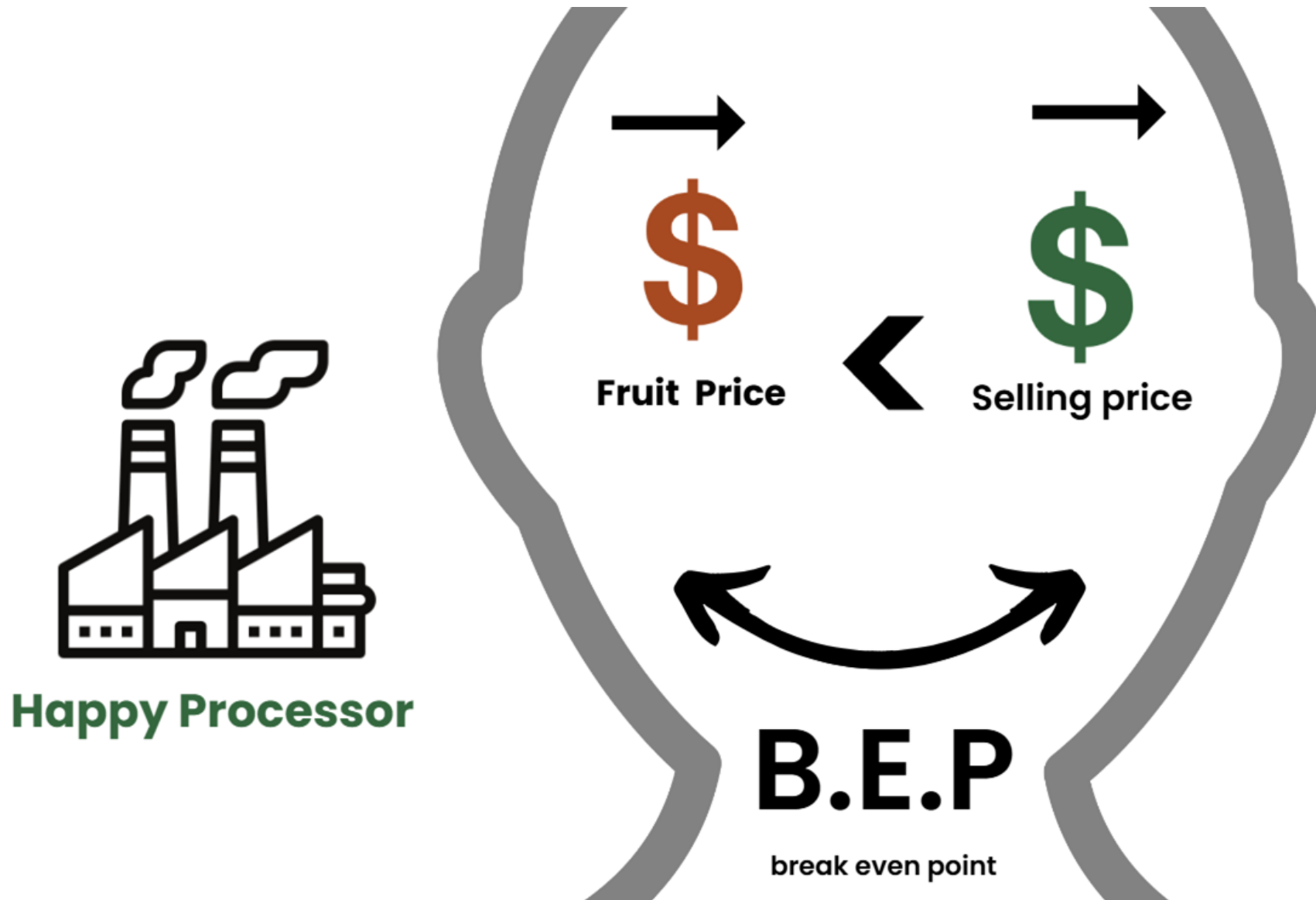
What happened in 2024?

=The local fruit price was **13 cents/kg**
=\$5.3/box

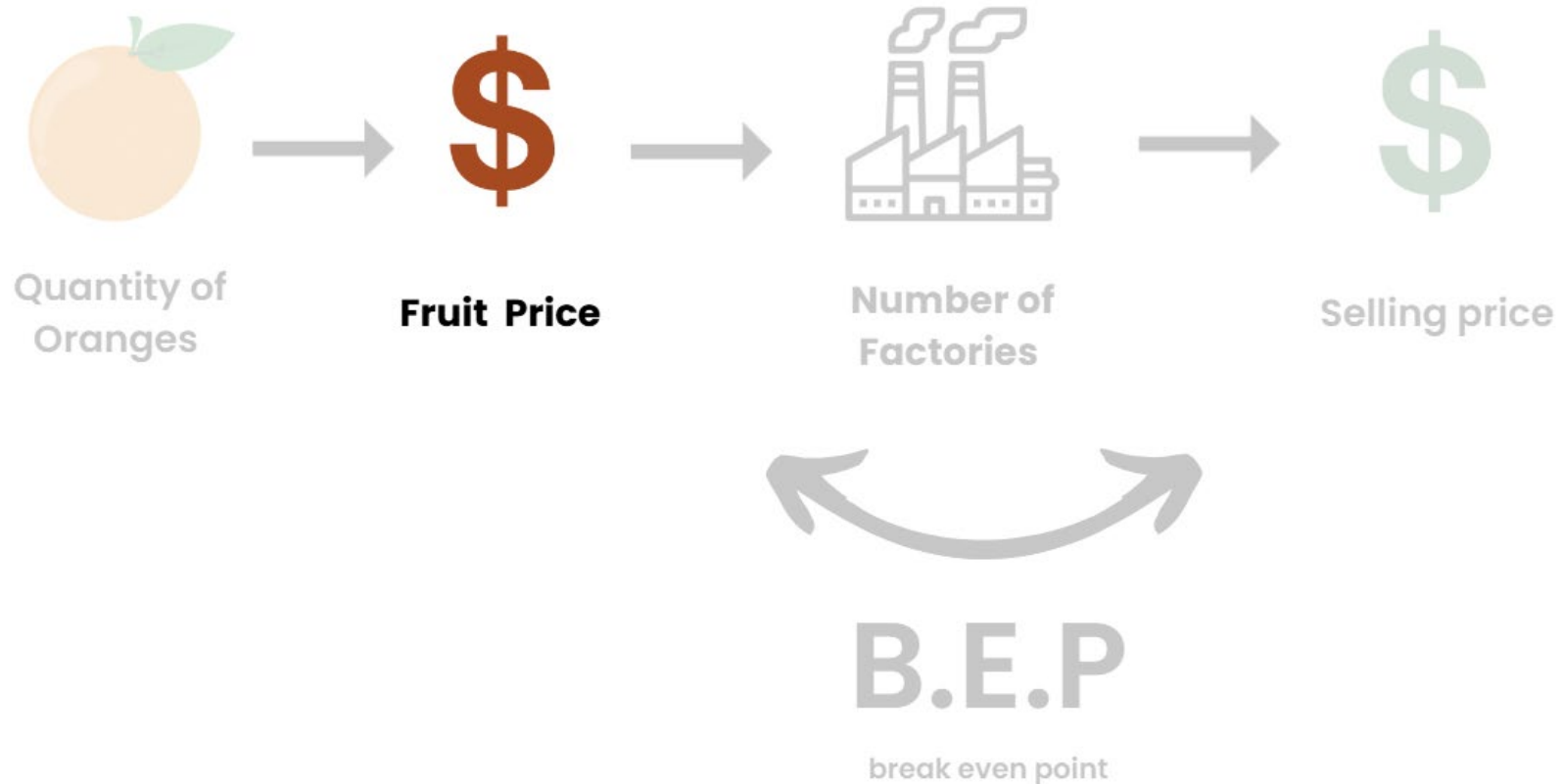
BEP of Fruit was **34cents/kg**
=\$13.9/box

Local Fruit Price vs.
Processing break-even point





This allowed fruit processors to be able to **pay more** for fruit than the local market



Based on this, the **hype** started putting Egypt on its way to hit **300 extractors** by 2027

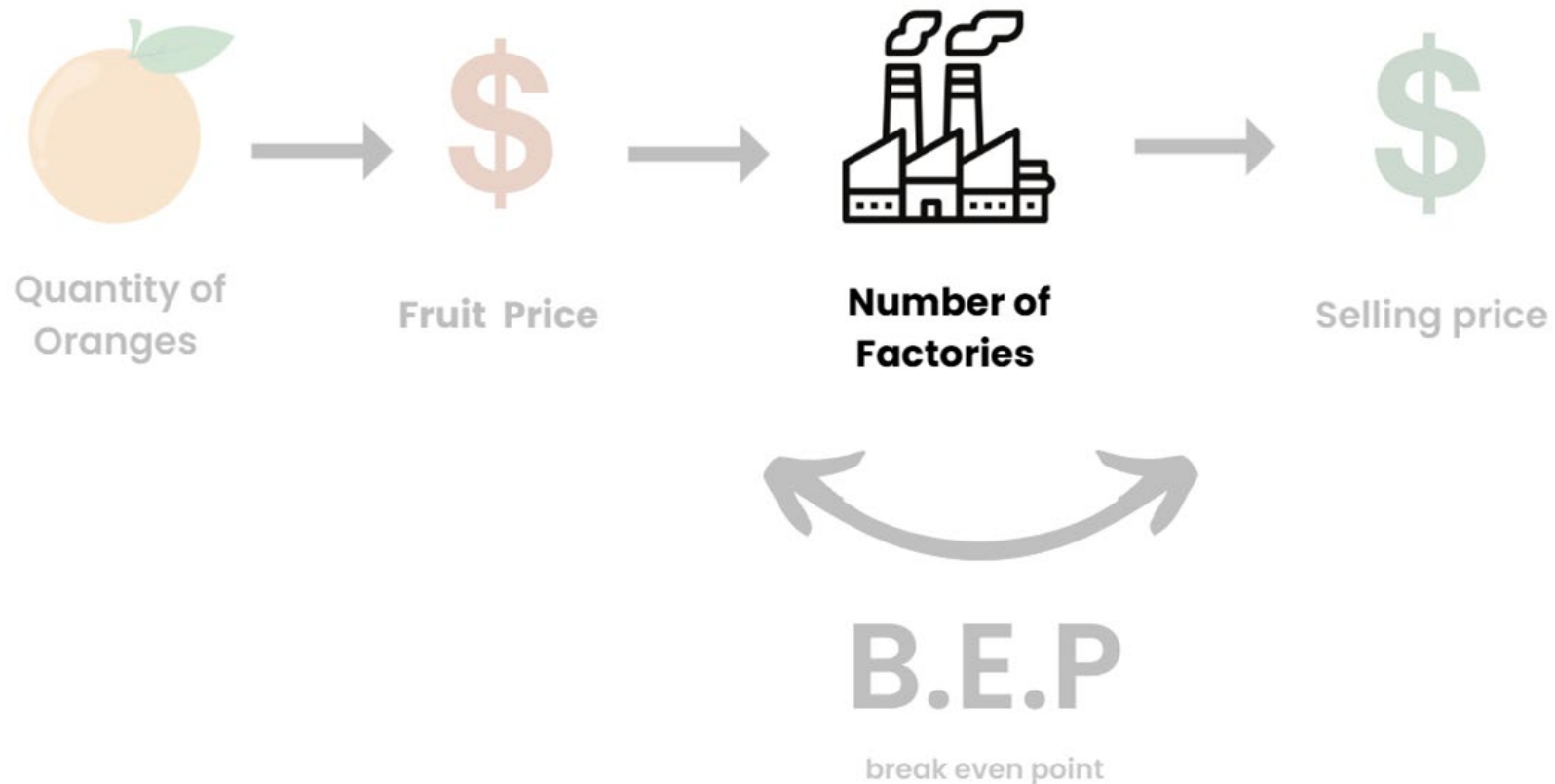
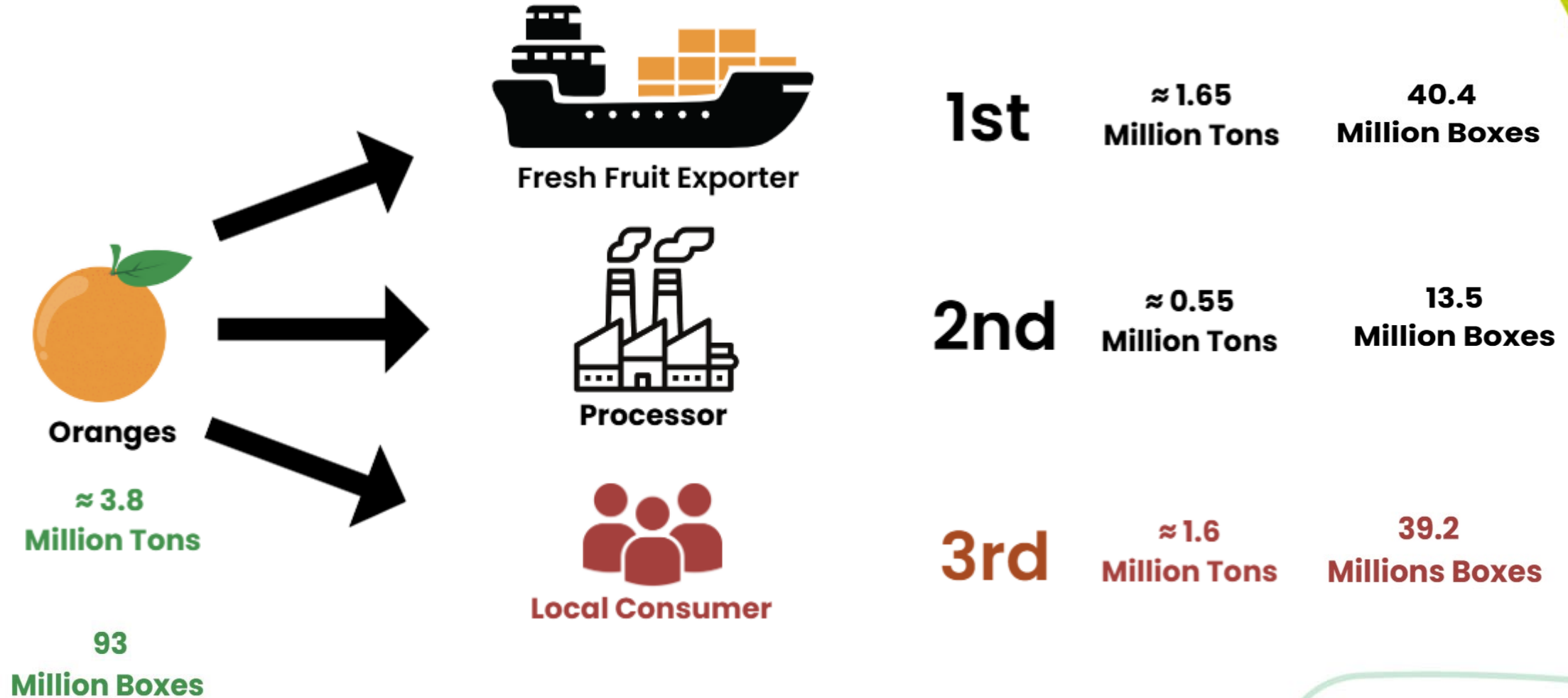


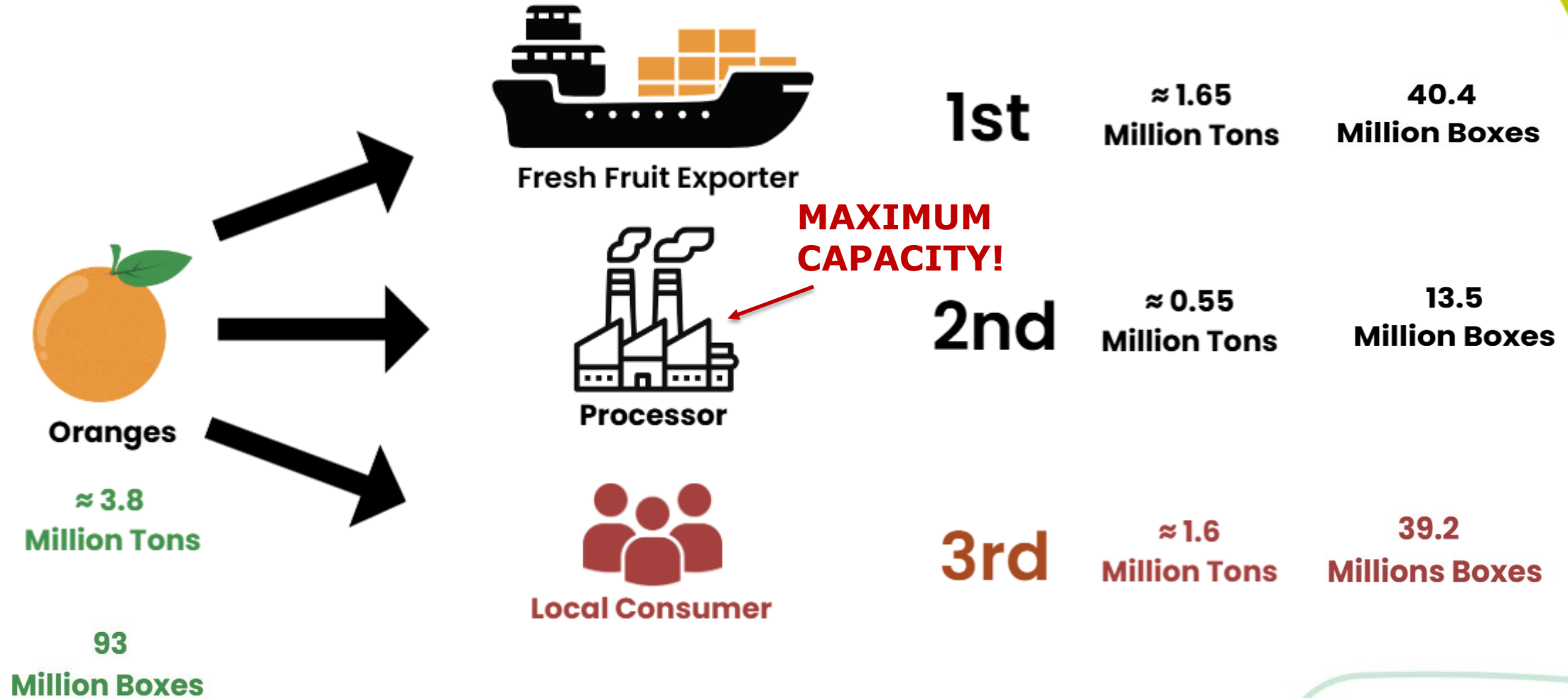
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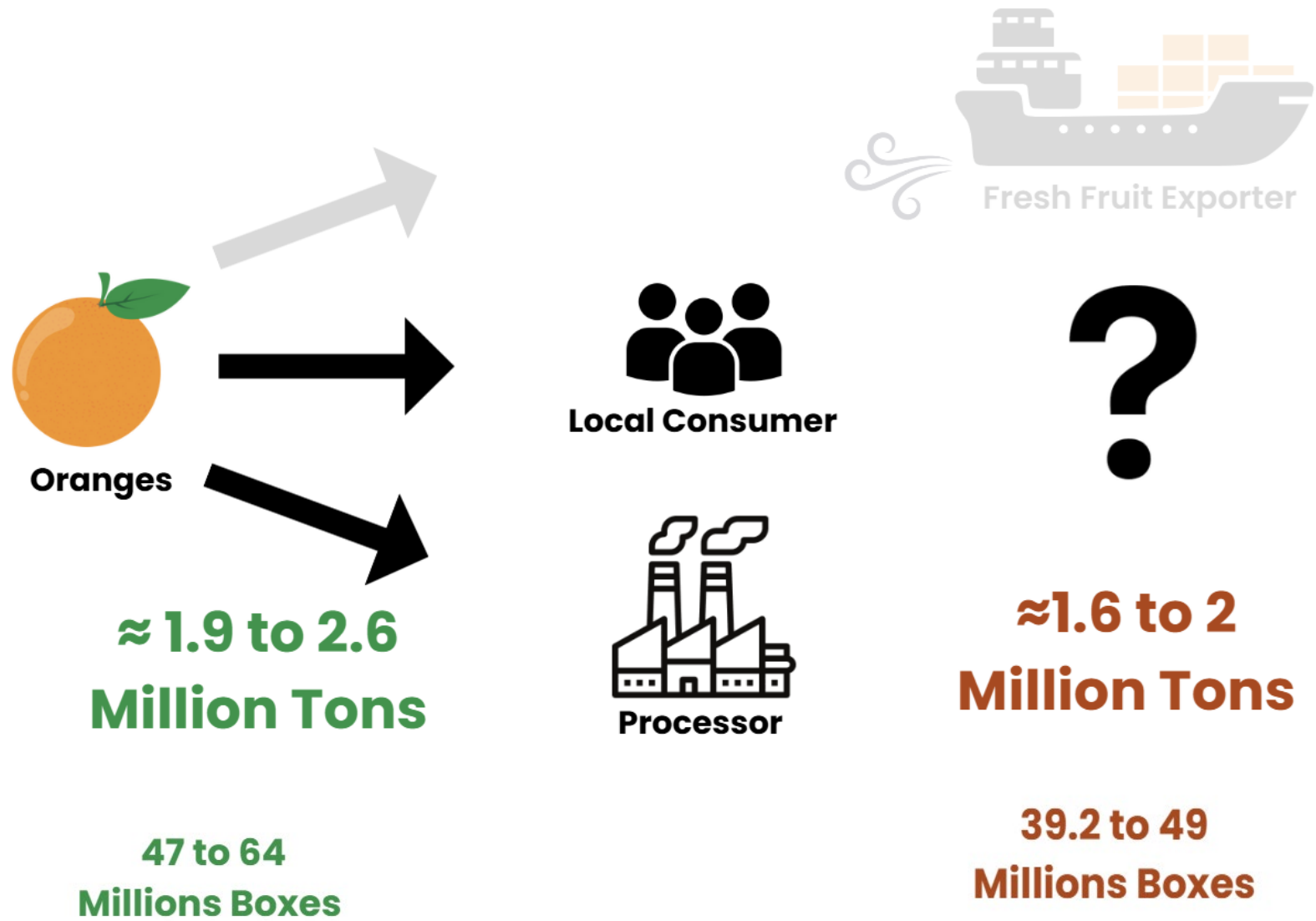
In 2024 the gap was also small...



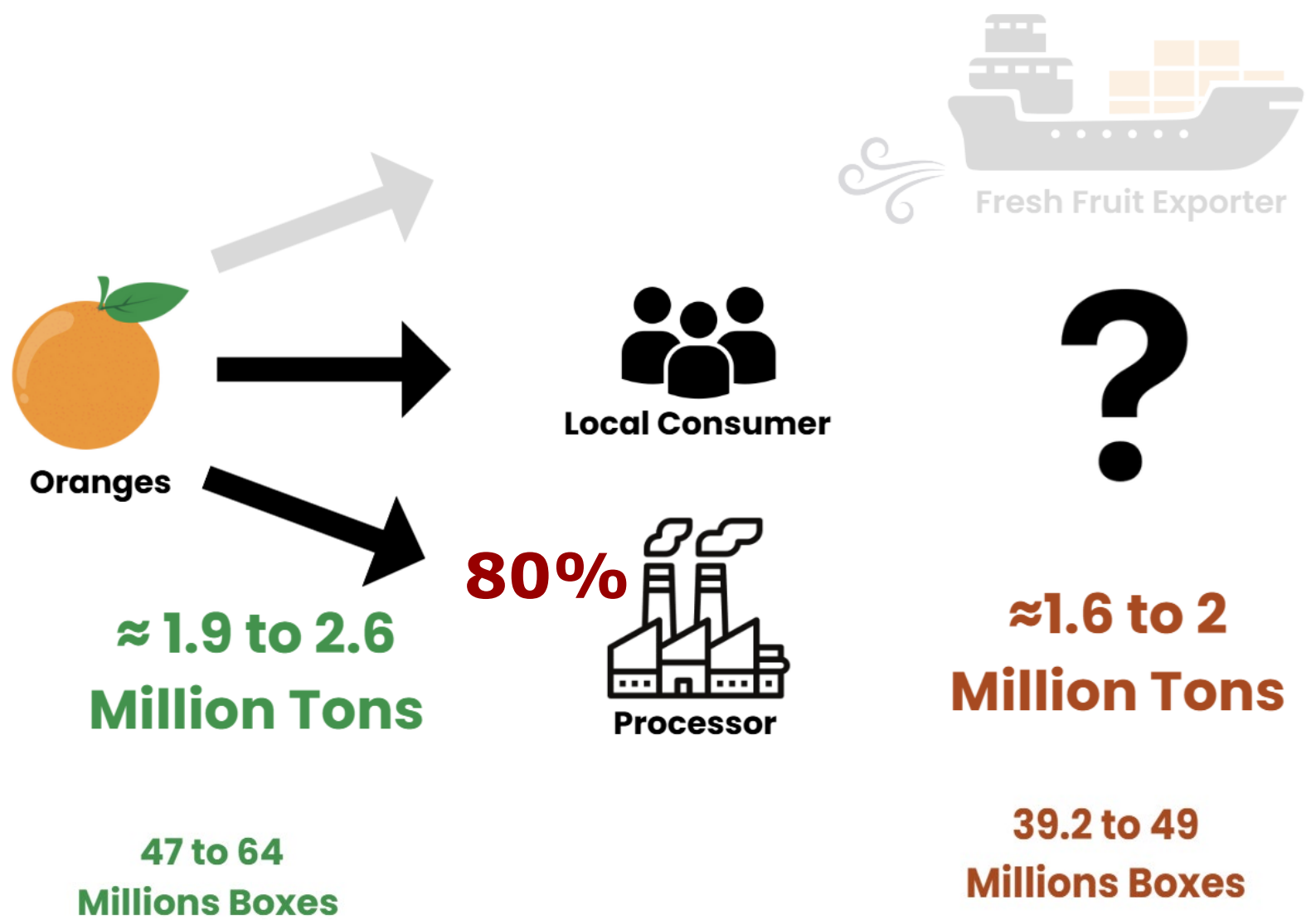
In 2024 the gap was also small...



What will happen by 2027?



What will happen by 2027?

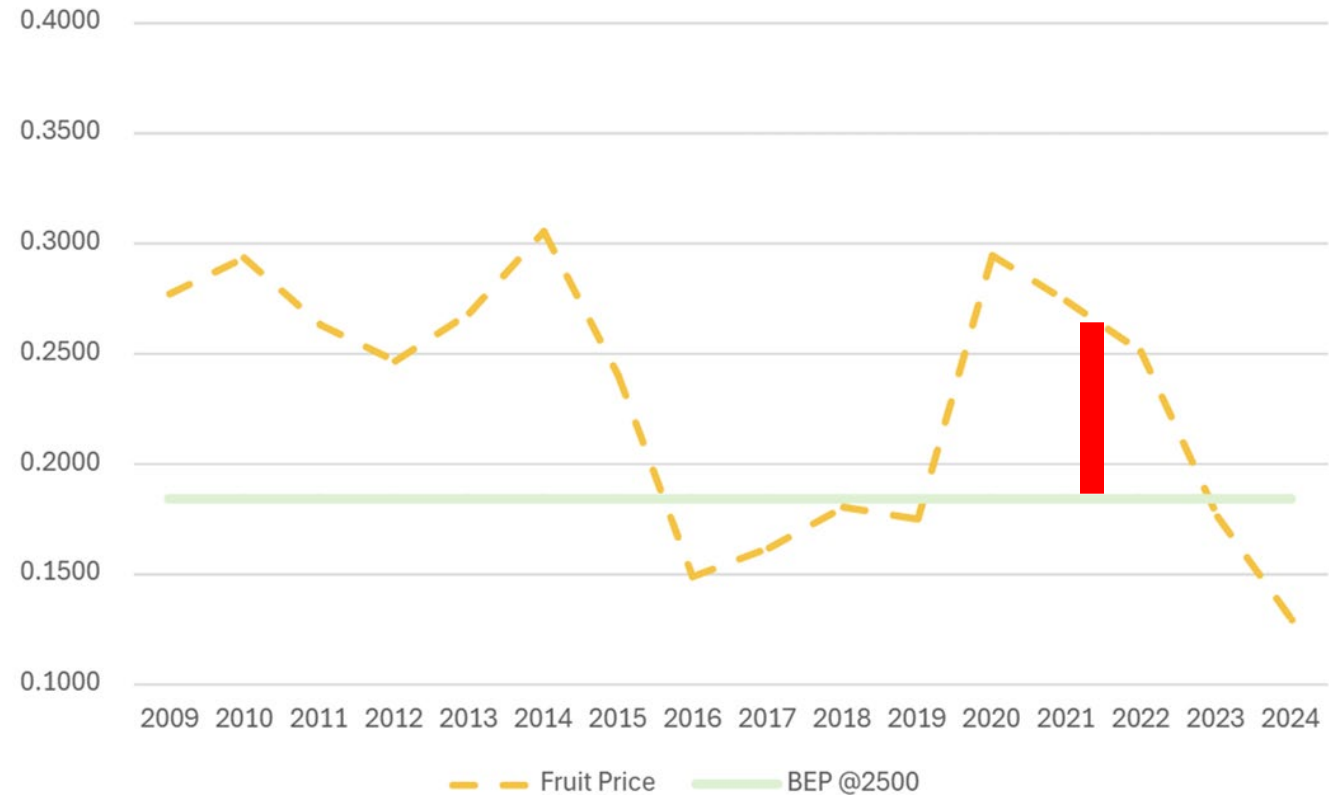


Not every year is 2024... Let's apply 2022

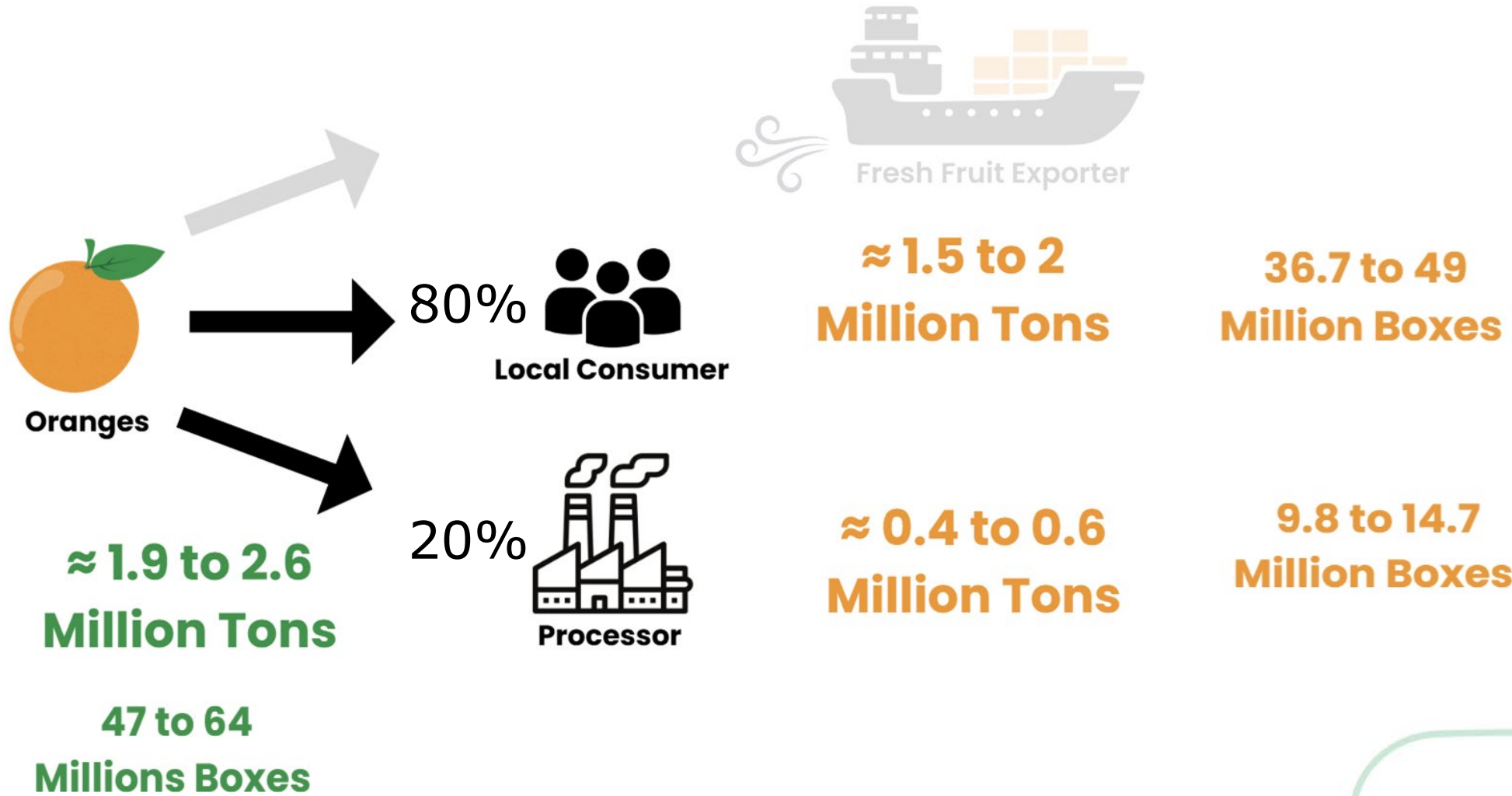
The local fruit price was
27.4 cents/kg
=\$11.19/box

BEP of Fruit was
18.5 cents/kg
=\$7.6/box

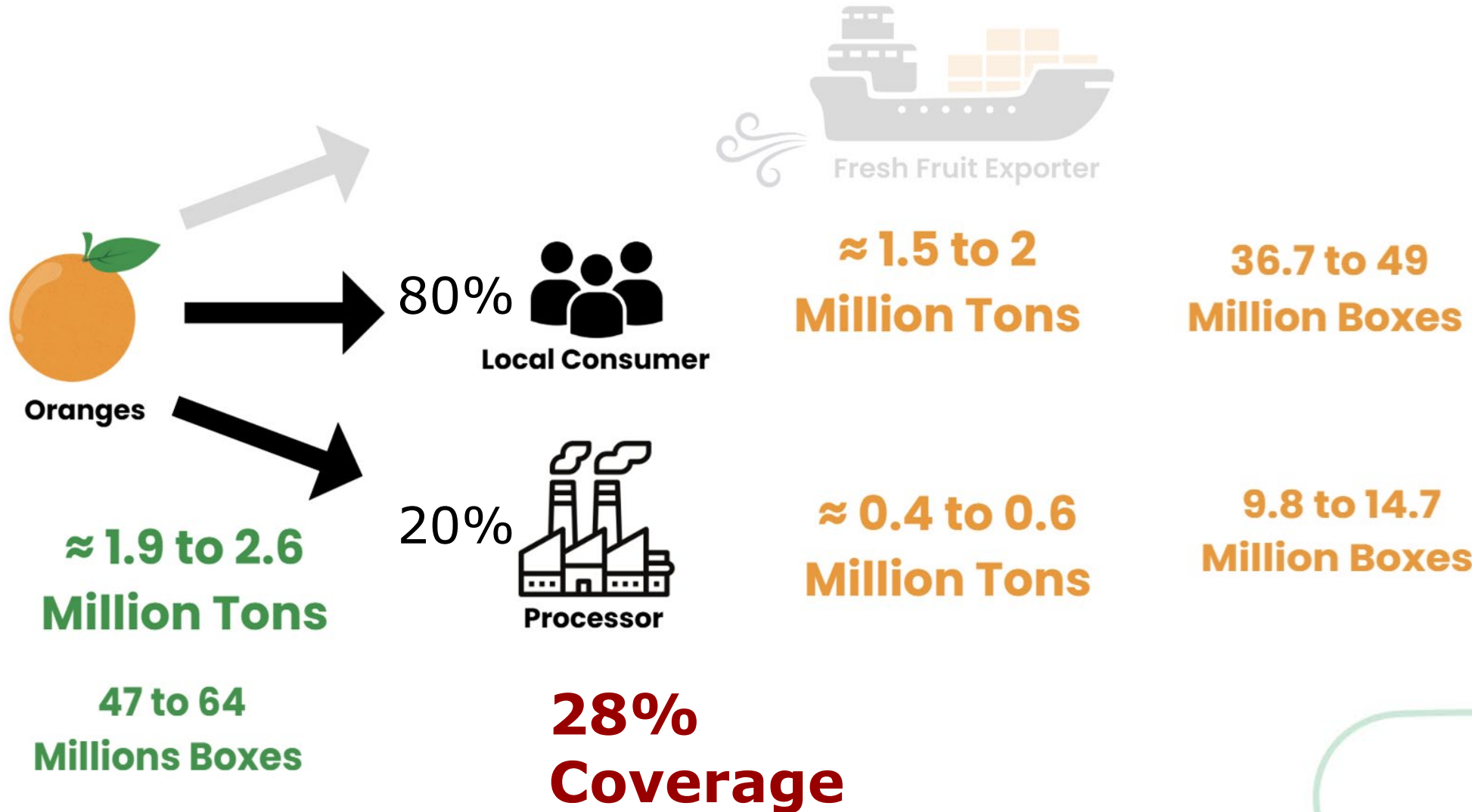
Local Fruit Price vs.
Processing break-even point



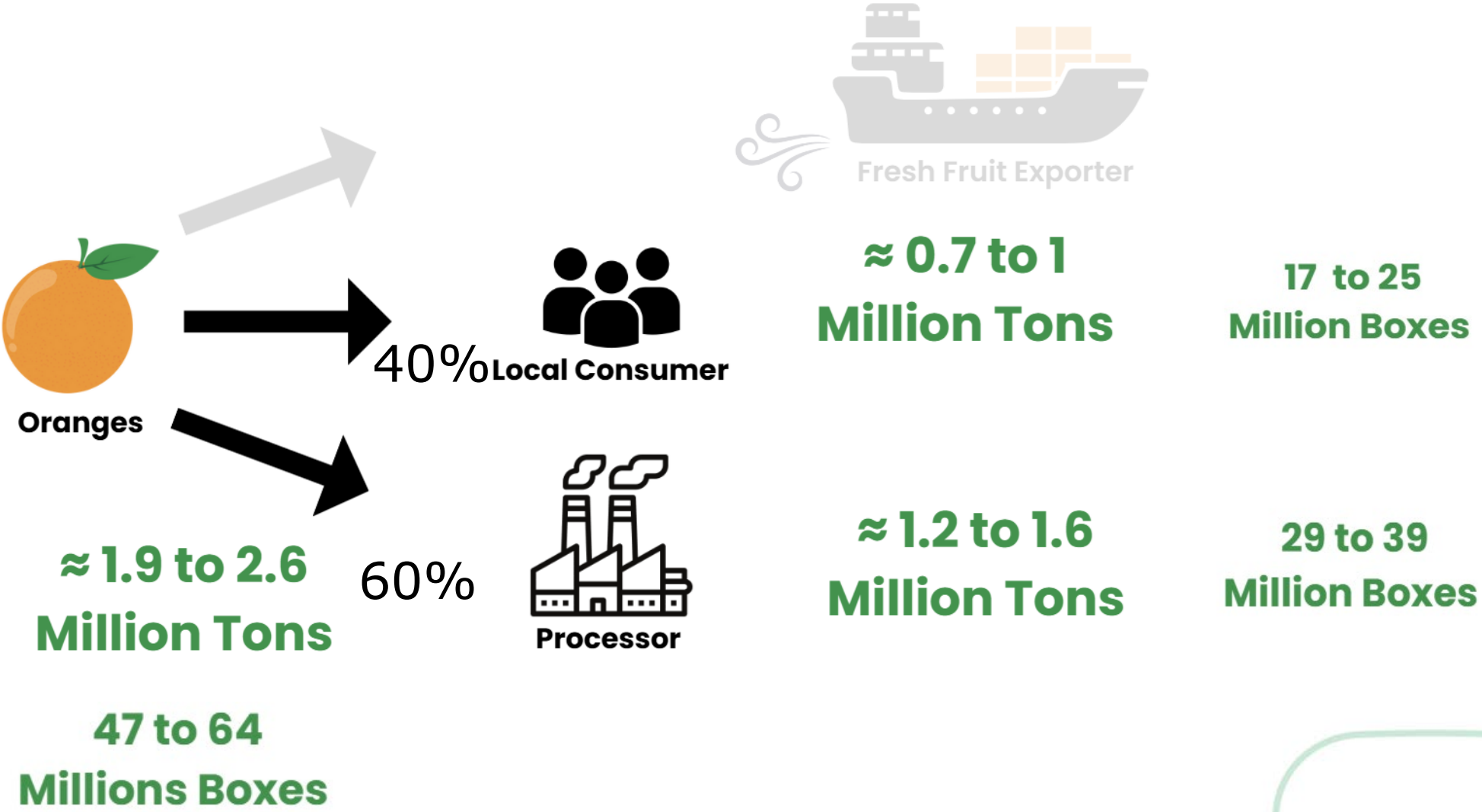
Traditionally processors consume 20% of the pool



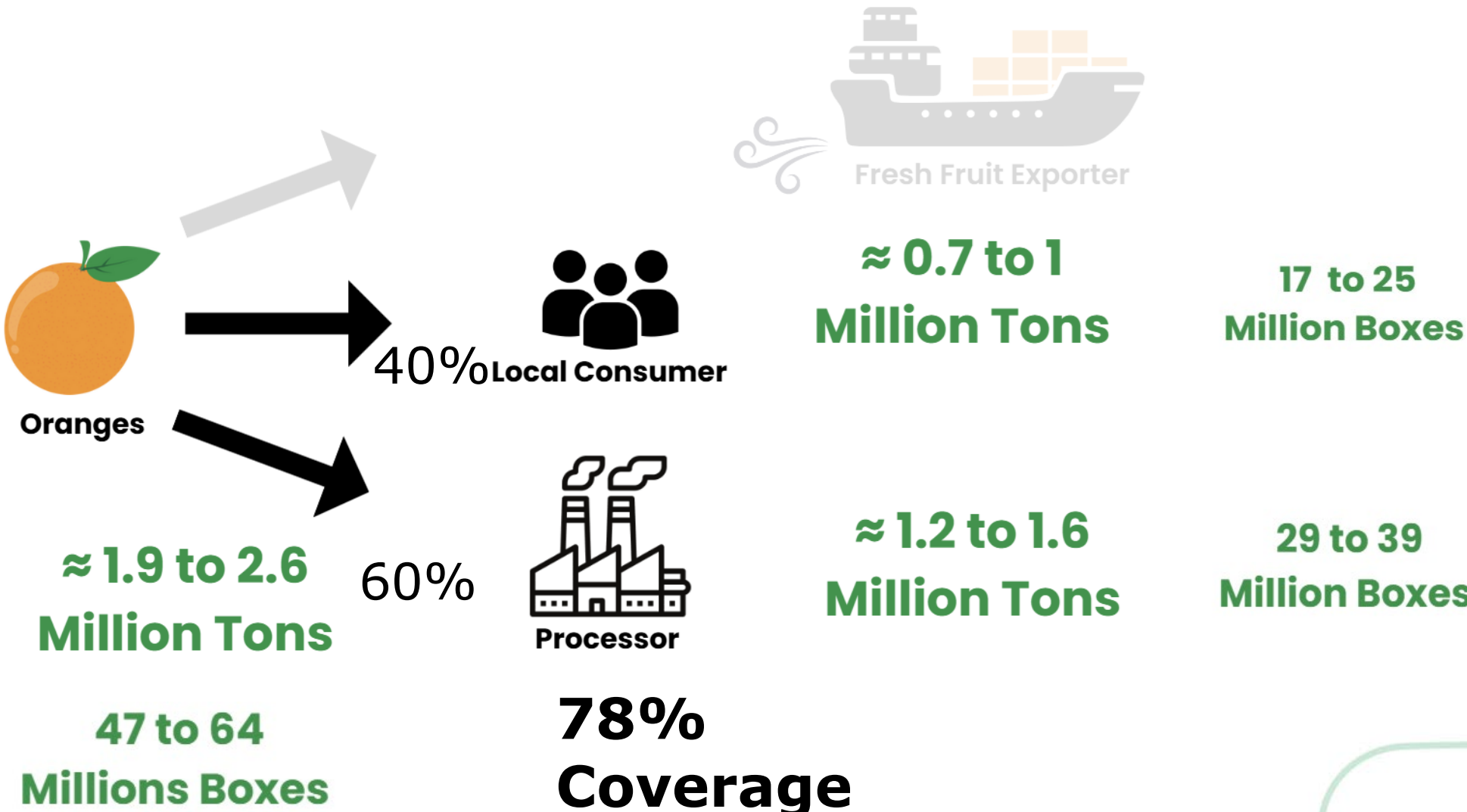
Traditionally processors consume 20% of the pool



By 2027 - Super Optimistic Case



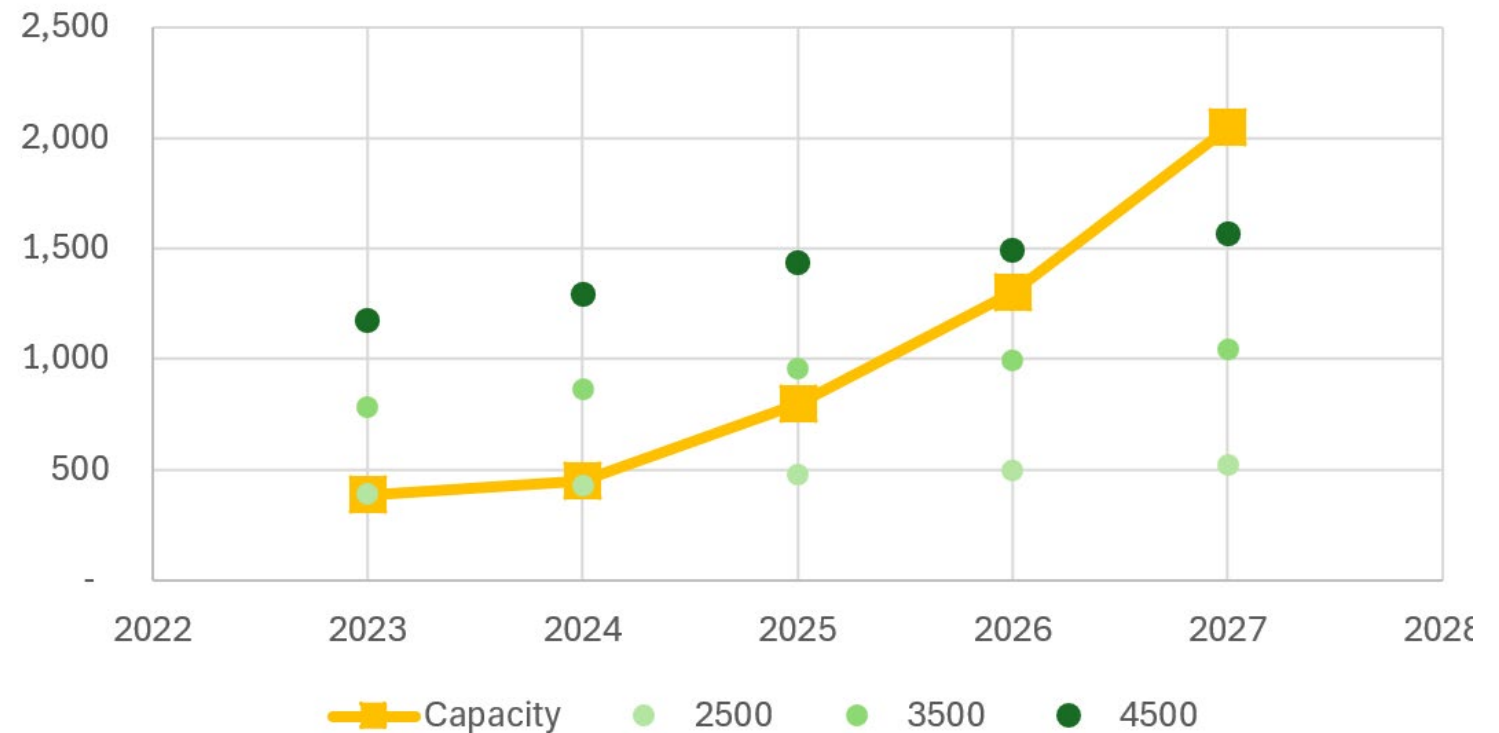
By 2027 - Super Optimistic Case



Look at the Progression until 2027

2024: Exceptional
2025: Good
2026: Challenging
2027: Very Difficult

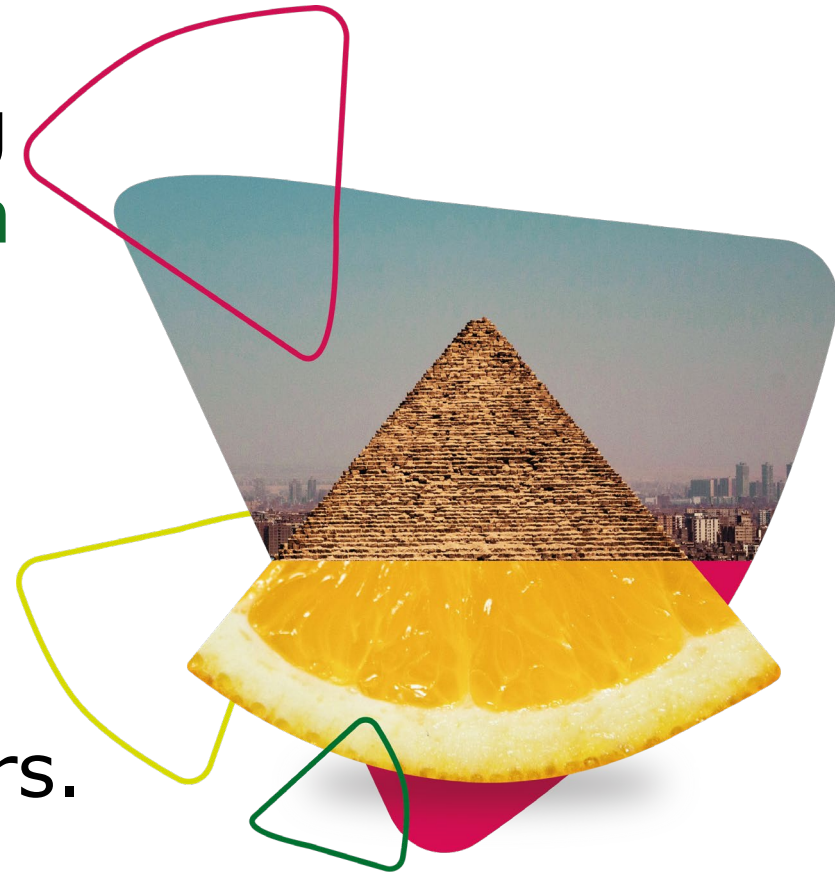
Capacity Requirement vs. Forecasted Availability



What are we doing to address this?

We will grow the Pool, focusing on implementing a **long-term approach**, with a mix of Agricultural and Sustainable initiatives through B-Corp.

We are open and happy to **cooperate** with all stakeholders.



Conclusions

Khaled... Should I Invest **in an orange line** in Egypt?

Conclusions

Yes, invest in Egypt but **start with the pool and then go for the line.**

Let's Stay Connected



Khaled O Abdel Rahim





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Sources

Total/Export Quantities (slide: 14-19)

USDA: apps.fas.usda.gov

Local Purchasing Prices (slide: 28)

CAPMAS: www.capmas.gov.eg