

Dairy Sector in Egypt

Current Situation

Egypt's dairy industry has been associated with problems for several years. Started in 2004 of both foot and mouth disease and lumpy skin disease, attributed to cattle imports from Ethiopia, decimated the local herd. The industry has not recover yet.

Most of the country's livestock herd is dedicated to dairy production. Local dairy breeds are not efficient milk producers, so the dairy industry is reliant on imports which are highly regulated by the government.

Egypt as a big market consume more than the local production. There is always a marketshare available. There are more than 300 private and public dairy production factories in egypt.

Egypt production and consumption in 2015 (Numbers in 000 metric tonnes)

- Milk production around 6,096 while the consumption reached 6,011
- Cheese production 671 and the consumption reached 696,5
- Butter production 130 tonnes and the consumption 131 tonnes. Egypt's farmers produce small amounts of butter for domestic consumption on a commercial scale, but Egypt imports most of its butter from New Zealand and the Netherlands. According to USDA, poor refrigeration limits local demand for butter.

Main Players / producers

- Dina Farms 

With an expected annual production capacity of 46,000 tons of milk in 2009 and 60,000 tons by 2010, Dina Farms is the country's leading producer of milk. Total domestic production currently covers about two-thirds of Egypt's total milk consumption, the deficit is supplemented by powdered milk imports

- Juhayna 

Since 1983, and for more than 3 decades Juhayna has embarked a journey full of development and expansion that distinguished it as a leading Egyptian producer of juice and dairy products.

Arla Foods and the Egypt-based dairy company Juhayna have agreed to form a joint venture which will sell Arla's products across Egypt.

- Labanita 

Located on the outskirts of Alexandria and launched in 1946, SECLAM became the first dairy production factory in Egypt, producing pasteurized milk on a large scale.

After SECLAM was acquired by Mansour group in 1998 it became the first company in Egypt to produce juices in PET bottles with sports caps, as well as the first to re-launch pasteurized (fresh) milk.

- Panda 

first started production back in 1990 with a modest, but reasonably diverse group of international quality dairy products that included La Classe's Swiss cheese; which includes Gruyere, Emmental, Parmesan cheese and La Classe's fresh cream.

Today, Arab Dairy also manufactures a variety of different types of cheese for export for renowned brands such as Penguin and Goody. Many of the products Arab Dairy produces for these companies are exported across the Middle Eastern region to countries such as Lebanon, Jordan, Libya, the UAE, Saudi Arabia, Palestine, Bahrain, Oman and Kuwait.

- Domty 

Established in 1989, the Arabian Food Industries Co. as a leading manufacturer of cheese and dairy products in Egypt. Its flagship cheese brand Domty, has gained the market's trust and its consumers' loyalty through its consistent commitment to quality, offering of a wide variety of products and flavors and constantly expanding its market reach to be available on all supermarket shelves. Initially starting with two distribution branches and a couple of trucks in 1989, Domty has quickly grown to over 10 branches around the country and a fleet of 100 trucks. By 2007 the company's products had reached the export market to several countries in the Middle East and GCC region.

- Greenland 

Greenland Group for Food Industries was founded in Egypt in 1995 and was acquired by the Americana Group in 2005 in its ongoing efforts to become the regional benchmark of the food industry. Greenland leveraged the reach and strength of Americana to become a market leader in the field of Dairy and Juice production within Egypt, GCC and Levant.

- Halayeb 

was established in 1910 in Damietta - Egypt. It belongs to Katilo family which is considered the pioneer in establishing dairy industry in Damietta. By the year 1940 Katilo co. has established its own marketing division to distribute its products inside Egypt and start exporting to some of the Arab countries. In the year 1978, it was the time for the third generation represented by Mr. Abdel Moniem Katilo to take over the leadership and management of the company according to his thoughts and ambition and expand company activities on both national and international markets.

- Nestle 

Established in 1989 at 6th October city, Nestle Egypt began manufacturing.

Today, Nestle has:

- Four factories (ice cream, dry goods, chilled and water).
- Nine distribution centers in eight cities, 2200 regular staff.

Imports

Egypt is a remaining importer of dairy products with the majority of its imports coming from Australia, New Zealand and the Netherlands. The U.S. also has increased its dairy exports to Egypt substantially over the last years.

The industry depends also on importing of feed, vaccines, and medicine

Existing dutch companies in the egyptian market :

- Friesland campina (cheese)
- Arla (Milk & butter)- Juhayna
- Vandersterre Holland - Gafman (Milk &cheese)
- Unilac (cheese & Butter)
- Veldhuijzen (cheese)
- Westland (cheese)

Exports

Egypt suffers from several problems with its dairy sector including disease and the cost of imported feed, vaccines and animal stock.

- Egypt is banned from exporting to the EU due to the Foot & Mouth Disease (FMD) for many years now.
- Egypt main exports goes to Arab countries and consist of milk, Yoghurt and cheese. There is a potential to increase exports but it requires assurance from the egyptian government and the dairy sector about the quality and safety of egyptian products.

Opportunities for Dutch companies

The food sector in general and especially the dairy sector continue to provide new opportunities for foreign investors, due to its large size and currently remaining unsaturated. Demand for packaged and convenience foods will continue to grow due to higher levels of rising disposable incomes among some consumer groups and continued health and hygiene scares.

Egypt could also serve as a manufacturing hub for the Middle East and wider African markets as it is a member of the COMESA.

Egyptians are large consumers of dairy products, although domestic dairy production has not kept up with domestic demand. The main opportunities could be the lack of knowhow, the knowledge transfer beside providing cost effective solutions is urgently needed in this sector covering the following areas:

- Recent public concerns about the safety of the milk supply have highlighted the importance of reputable producers.
- The industry depends also on importing of feed, vaccines, and medicine for its live cattle.

Useful Contacts

1. Embassy of the Kingdom of the Netherlands

Address : 18 Hassan Sabry Street. Zamalek, Cairo. Egypt

Website: <http://egypt.nlembassy.org>

Phone: +20 2 27395571

E-mail: kai-lnv@minbuza.nl

Contacts:

- **Mr. J.C.M.A. (Joost) Geijer MSc,**
Head of Economic Department and Agricultural Counsellor
- **Ms. Marwa Hussein, M.Sc.**
Senior Trade Adviser, Agriculture
- **Ms. Charlotte Gerards**
Assistant Economic Cluster

2. Ministry of Industry and Trade

Address: 2 Latin America Street - garden city - Cairo

Tel: + 202 27921178 - 27921193 - 27921194

Email: mfti@mfti.gov.eg / inquiry@mfti.gov.eg

Web: www.mfti.gov.eg

3. Egyptian Organization for Standardization and Quality Control

Address: 16 Tadreeb el Motadarebeen Street, Ameriya, Cairo, Egypt.

Tel: +202 2603-1348 / 22845503

Email: moi@idsc.net.eg eositc@eos.org.eg; moi@idsc.net.eg

Web: www.eos.org.eg; www.consumer.eos.org.eg

4. General Organization for Export and Import Control (Goeic)

Address: Cargo village, Airport building, Cairo, Egypt

Tel: +202 2266-6847

Email: goeic@goeic.gov.eg; o-affairs@goeic.gov.eg

Web: www.goeic.gov.eg

5. Egyptian Customs Authority

Address: Entedad Ramsis Street, Ministry of Finance Towers Tower 3, 3rd Floor, Cairo

Tel: + 202 23422014/6

Email: Pro_H@customs.gov.eg

Web: www.customs.gov.eg

Related events

Agrena

This is an Exhibition for Dairy, Poultry, Animal Production & Fish Wealth Development. A yearly event, that takes place during July each year at Cairo International Conferences Centre.

Email: crose@access.com.eg

Web: www.agrena.net

Report Sources

- Food and Agriculture Organization (FAO)
- Ministry of Agriculture
- Business Monitor International
- Internet research
- Key contacts in the market