

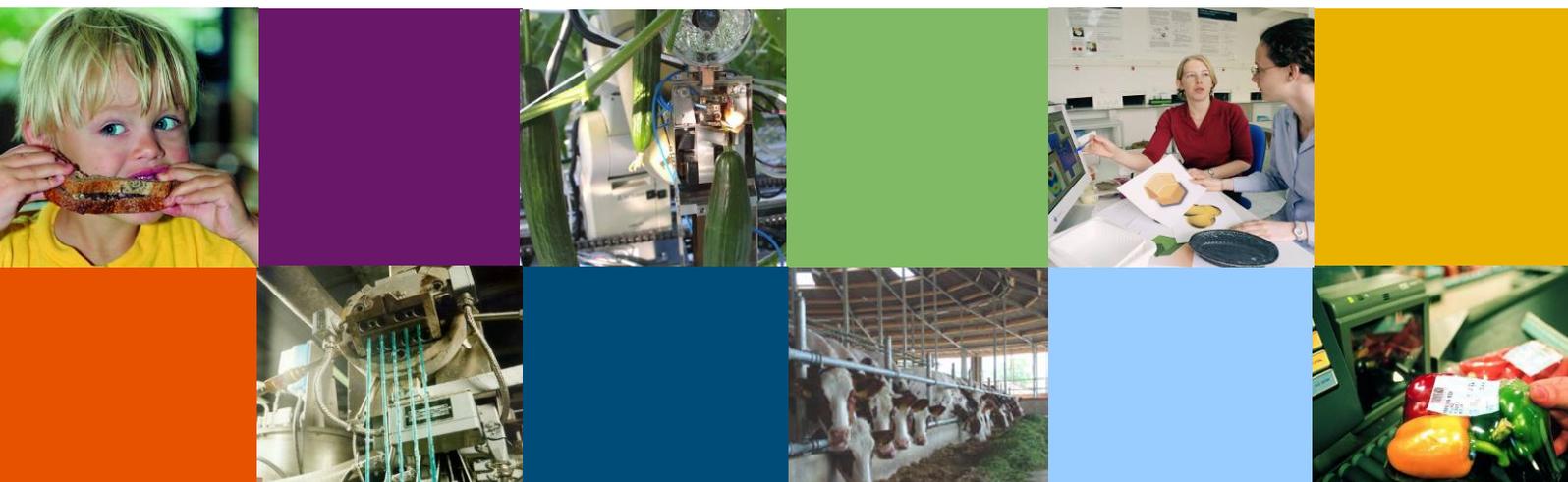


Metropolitan food supply:

Commitment mission Egypt

Willie van den Broek
Henry Boerrigter
Nina Waldhauer

Rapport 1511



Colophon



Ministerie van Buitenlandse Zaken



FOOD & BIOBASED RESEARCH
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Author(s)	W.H.A.M van den Broek, H.A.M. Boerrigter and N. Waldhauer
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Wageningen UR Food & Biobased Research
P.O. Box 17
NL-6700 AA Wageningen
Tel: +31 (0)317 480 084
E-mail: info.fbr@wur.nl
Internet: www.wur.nl

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1 Introduction

Egyptian larger cities continue to grow significantly and their request for affordable and nutritious food grows correspondingly. Local food is mainly produced in areas far from the urban densities. Transport to the urban areas is inadequate and affects the food quality. To improve the present Egyptian situation it would be helpful to investigate possibilities to produce food closer to the urban areas. In addition, the present fuel subsidies will most likely become much less in the coming years which will affect retail prices significantly. This would require new concepts and innovations to prepare for the coming future.

The Netherlands have world wide experience and knowhow to produce fresh fruit & vegetables in closed loop systems and to make this an economically viable business. The expertise has been built for the Dutch-German delta metropolis. Is it possible to adapt the highly efficient Dutch fresh fruit & vegetables expertise to allow efficient Egyptian agribusiness for the urban areas? First discussions with leading companies in Egyptian agribusiness show great enthusiasm and opportunities. An exploration mission in 2013 identified the same enthusiasm among Egyptian agrifood industrial companies and proposed some specific follow-up activities to identify real commitment from local industrial partners. Therefore, the Agricultural Counsellor of HMA Cairo has requested *Wageningen UR – Food & Biobased Research* to setup a follow-up mission (referred to as: commitment study) to explore first commitment activities from potential Egyptian agro-industrial partners.

2 Focus of Commitment Study

The commitment study is a result of an earlier study where opportunities in the post-harvest food supply chain have been investigated. A summary of the most likely opportunities have been reported in “Metropolitan Food Supply: Case Study Cairo, Wageningen report 1466, ISBN 978-94-6173-988-9, 2014”. The present study is to investigate the commitment of potential participants to contribute to these opportunities and what their conditions are to the following 3 main activities:

Firstly, the commitment study will focus on the willingness of Egyptian agrifood business to operate within a network, referred to as “Fresh Food Network Egypt (FFNE)”. This allows shared cooperation for the long term.

A second commitment activity focuses on skills development. There are two lines: the first line is to develop a framework for post-harvest courses. The HEIA organization could be a first candidate to discuss cooperation. The second line is to develop a post-harvest center of excellence (CoE post-harvest).

A third commitment activity will focus on the setup of a pilot studies (short term activities). The first is a pilot focusing on the developing of a new concept for small scale farmers to produce fresh food for the Cairo metropole. The pilot could fit into the coming FDOV program and therefore would allow additional financial support. The second pilot is a market quick scan for food security on both the local Cairo market and the more remote tourist areas in the Sinai and along the East coast of Egypt (e.g. Hurghada region). The third pilot study is about innovative climate smart food production technology (hydroponics) to allow resilience against water shortage in the mid-term future.

3 Activities and Deliverables

The following activities have been scheduled for the commitment study:

1. Preparation for a first fresh food network stakeholder meeting.
2. Setup and preparation of a framework for FDOV program: pilot study
3. Develop Post-harvest course needs, structure & content with HEIA organization. In addition, discussions will be organized for the setup of a NoE in Egypt.
4. Elaborate and find commitment on the feasibility of a hydroponic lettuce production pilot in the touristic area around either: 1) Sharm-el-Sheikh, 2) West-Sinai region or 3) Hurghada region.

The commitment study has been executed in 3 phases, leading to the following activities and results:

Phase	Activities	Results
1: Preparation and coordination	Orientation and acquaintance (first visit of two team members , to establish orientation Identification of local partner(s) assigned by commissioner	Identification of local partners Agreement with local partners on common understanding of purpose
2 Commitment	Initiate long term cooperation Trust building with key stakeholders Joint inception of pilots and agreement on plans.	Agreement to initiate NoE Feedback on agreement to participate in a pilot study
3 Formalization	Formalization of activities/preparation of opening of NoE	Start of formal cooperation

The commitment study (2) has been implemented by researchers from Wageningen UR, Topsector Agri&Food, and local food chain experts, supported by the Dutch agricultural counselor.

Deliverables:

The commitment study is aiming at the following deliverables:

- A PowerPoint presentation showing the findings of the commitment study;
- Feedback on ideas and agreements to start a pilot study.
- A list of commitment for potential candidate partners to join Network of Excellence; On positive feedback, the opening of the NoE could be planned at the end of this year, preferably November 2014.

4 Results and Interpretation

The visiting companies and the program of the mission can be found in Appendix 1. The results of the commitment mission have been summarized in figure 1. Almost 20 potential participants from the post-harvest supply chain in Egypt have been interviewed and asked for their interest in one of the proposed start-up activities. All interviewees confirmed to participate at the opening of the “Egyptian Network on Agrologistics”. The opening of the network is scheduled for November 2014.

Since the network is focussing on long term cooperation it is important to use this network to set up medium term skills development and short term pilots in parallel. The interviewees indicated to be interested in the specific activities as indicated below.

The market survey (pilot 2) is the interest of interviewees to help delivering input on supply chain price levels. Opportunities (and pilots) should be based on reliable sector information. In Egypt, sector information is not collected on a regular basis by independent (governmental) institutions. Thus, reliable figures on sector performances are difficult to find and need to be collected and checked on forehand.

	Commitment for:					
Meetings	Network*	Skills		Pilot studies		
	Participation	PH Training	Center of Excellence	1: Food Security Cairo	2: Market survey	3: Novel production systems
Bustan (Faris Farrag)	x		x		x	x
HEIA	x	x				
Aga Khan Foundation	x		x	x		
Farm Frites (Tarek Tawfik)	x					x
Sawiris Foundation	x					x
Minister of Agriculture	x		x			
HAMA	x		x			
Sunny Market	x				x	x
Agrovate	x				x	x
Magrabi	x					x
Logistica	x					
MABA Agriculture	x					
Signet Institute (Blair)	x					
Entrust (Maher)	x				x	
Ain Shams University	x	x	x	x		
Gafman / Van Tol	x				x	x
Unilever	x					
El Gouna						
Marketing Hotels	x					x
					x	x

* all interviewees agreed to participate in the 'Platform on Agrologistics' on 25 November 2014 (start of network participation)
Commitment is defined as willingness to participate under the condition that needs/gaps are fulfilled

Figure 1: Overview of partner interest for proposed activities.

Each interviewee has been asked for his/her commitment on his/her own activity of interest. Figure 2 shows an overview of the interested activities per interviewee and the needs and/or gaps to participate. Besides the strong commitment to participate at the opening of the “network on agrolistics” (see figure 1), most commitment was given on pilot 3 and its preparing activity pilot 2. A second interesting commitment is given for the setup of a CoE with the Ain Shams University at their own premises. All commitments were given on the condition that financial support is guaranteed and that the final proposals have been approved and underpinned by reliable supply chain data.

	Interest	Needs/gaps	Commitment #
Meetings			***** = strong * = weak
Bustan (Faris Farrag)	Pilot 2 & 3	Questionnaire, consortium and investors	Pilot 2: *****, Pilot 3: ***
HEIA	Specific training PH course	Proposal for training	
Aga Khan Foundation	Pilot 1	consortium & specific plan, funding/ investors	Pilot 1: **
Farm Frites (Tarek Tawfik)	Pilot 3	Results Marketing survey & business plan	Pilot 3: **
Sawiris Foundation	Pilot 3	consortium & specific plan	Pilot 3: ****
Minister of Agriculture	CoE	WUR post-harvest tech & political commitment	CoE: **
HAMA	CoE incorporated in HAMA labs	WUR post-harvest tech, specific plan and target group	CoE: **
Sunny Market	Pilot 2 & 3	Questionnaire	Pilot2: *****, Pilot 3: **
Agrovate	Pilot 2 & 3	Questionnaire	Pilot2: *****, Pilot 3: **
Magrabi	Pilot 3	consortium & specific plan	Pilot 3: **
Logistica	NaN	NaN	NaN
MABA Agriculture	Participation in PPS-pilot dates	PPS approval TKI	Participation: ****
Signet Institute (Blair)	NaN	NaN	NaN
Entrust (Maher)	Pilot 2	Proposal FBR	pilot 2: ****
Ain Shams University	CoE at own premises	WUR post-harvest tech, proposal from PlantSystems & Questionnaire	CoE ****
Gafman / Van Tol	Pilot 2 & 3	Questionnaire, input of Van Tol NL	Pilot2: *****, Pilot 3: **
Unilever	Networking	Presentation at Opening event 25 November 2014	Networking: ****
El Gouna			
Marketing	Pilot 3	Questionnaire	Pilot 2: ****
Hotels	Pilot 2 & 3	Business concept	Pilot 2: *****, Pilot 3: ***
* all interviewees agreed to participate in the 'Platform on Agrolistics' on 25 November 2014 (start of network participation)			
# Commitment is defined as willingness to participate under the condition that needs/gaps are fulfilled			

Figure 2: Overview of partner commitment for each activity.

5 Follow-up Actions

Now that all participants have indicated their commitment for a specific activity, the following actions have been agreed for the next step (**action & owner** is in bold):

1) Network participation:

In cooperation with the Dutch Embassy, a flyer for the network event has been prepared, see appendix 2. The flyer can be used for the invitation of the opening event of the “Egyptian Network on Agrologistics”, scheduled for November 2014. **Venue, dates, invitation list and programme will be coordinated by the Dutch embassy. Wageningen UR will provide feedback** if required, will give a presentation at the opening event and will provide two banners for PR purposes.

2) Skills development:

For line 1: “Training opportunities at HEIA”, **Wageningen UR will send a proposal to HEIA** what it can offer on post-harvest training courses. This should be additional to the existing programme that HEIA has already setup with the help of USAID.

For line 2: “CoE post-harvest”, the **Ain Shams University will send Wageningen UR a proposal** what it needs to setup a CoE Post-harvest.

3) Pilot studies:

Pilot 1:

The setup of a CoE Post-harvest would allow the possibility to initiate pilot 1 since the CoE will provide support to operational businesses. Action lies at **Ain Shams University to develop the proposal** (see activity 2, line 2).

Pilot 2:

Wageningen UR will prepare a proposal for the Dutch Embassy how to gather the required market information to underpin local pilots and subsequently to use this to involve the required industrial partners. On approval, Wageningen will develop a Terms of Reference to hire a local consultant to perform the study. The results of the study will be interpreted.

Pilot 3:

Wageningen UR will prepare a proposal for the Dutch Embassy how to setup a pilot for food security in Egypt. First focus will be on the Hurghada region. Pilot needs involvement of Dutch industry and Egyptian partners.

6 Acknowledgements

The authors wish to express their gratitude to all persons who have been involved in this process: both for the input and for the ideas.

In particular our appreciation goes to Joost Geijer Head of Economic Department and Agricultural Counsellor and Renske de Haan for organising the programme and the invitations of all interviewees.

Finally appreciation is extended to the Netherlands Embassy in Cairo who offered excellent hosting facilities for the meetings making the visit most efficient.

Appendix I: Interview Schedule

Monday 22 September 2014

9:00 – 11:00 Bustan farm: Faris Farrag, CEO and founder

11:00 – 13:00 HEIA: Ms. Iman Kamel, Executive director of Horticultural Export

16.00 – 18:00 Buck Consultants International: Carel Vanroye, Director

Tuesday 23 September 2014

9:30 – 10:30 Aga Khan Foundation: Malik Kotadia

11:00 – 12:00 Ministry of Agriculture: Magdy Shabaka, General Director

13:00 - 14:30 Cairo Poultry/ Farm Frites: Tarek Tawfik, Managing Director

15:00 – 17:00 Sawiris Foundation: Eng. Ayat Abdel Mooty, Executive Director

17.00 – 17:00 Entrust: Maher, CEO

Wednesday 24 September 2014

9:30 – 10:30 Sunny Market/Agrovate: Mohamed Bahaa, CFO

13.00 - 15:00 Open meeting:
Mafa, Mahmoud El Shishiny- Assistant Managing Director.
Logistica e2e, Sherif Abdel Messih, Chief Commercial Officer
MABA, Mohamed Abou Basha, Commercial Manager

15:00 – 16:00 Signet Institute: Angus Blair, President

17:00 – 18:00 Ain Shams University: Gindy and Ali, Professors

Thursday 25 September 2014

8:00 – 9:00 Gafman: Amir Adam, Gafman (Agent for Van Tol)

9:00 – 12:00 Unilever: Megan Sullivan, Corporate Communications & Sustainability Specialist

At El Gouna Resort:

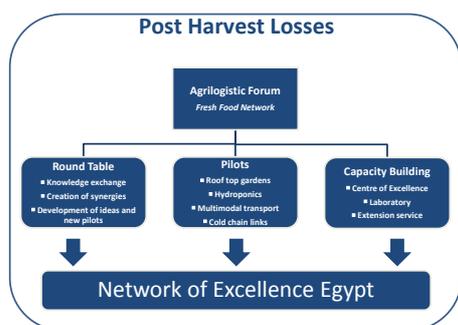
18:00– 20:00 Sherif Abdel Aziz, General Manager El Gouna

20:00– 21:00 Movenpick & Steinberger Hotel: general managers.

Friday 26 September 2014

Morning Sherif Abdel Aziz, General Manager El Gouna

Appendix II: Flyer



Agrilogistics programme

In cooperation between Egypt and the Netherlands an agrilogistics programme was recently set up in order to improve food distribution in Egypt focusing on food supply to local agri-food markets and urban distribution. Special attention is given to ensuring affordable prices and promoting sustainable solutions reducing the impact on urban mobility. The agrilogistics platform, one pillar of the programme, is currently being developed. Its goal is to offer a platform for exchanging knowledge and good practices, identifying cooperation potential between Egyptian and Dutch parties, solving bottlenecks and finding funding for identified projects.

