

EXPLORING THE GLOBAL DEMAND FOR PROCESSED CHEESE AND EGYPT'S EXPORT POTENTIAL

HS Code: 040630

October 2024



Agenda

Product Overview

Introduction

Global Production

Global Imports and Trend Analysis

- Top Importing Markets Globally
- Top Exporting Markets Globally

Overview of Egypt's Export

Recommended Markets

- Saudi Arabia Market
- Libya Market

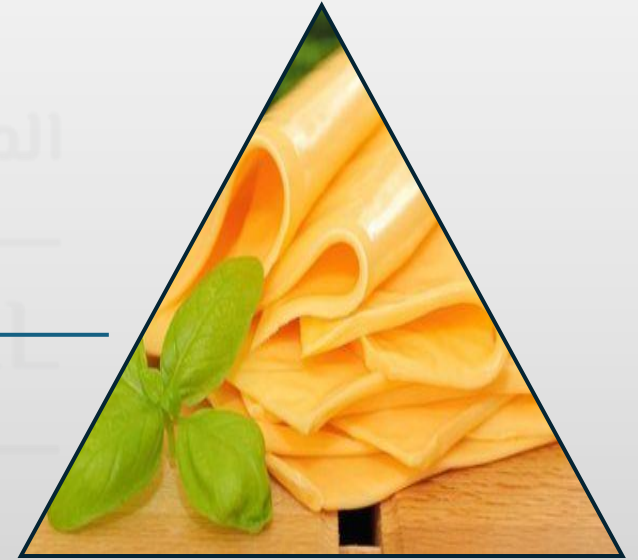
Conclusion

Product Overview

Product Name: Processed cheese not grated or powdered.

HS Code: 040630

Processed cheese, also known as prepared cheese, cheese product, or cheese food, is a category of cheese products made by combining and melting natural cheeses along with emulsifiers, additional dairy ingredients, and sometimes other food additives. Unlike natural cheeses, which are directly derived from milk through processes like coagulation and aging, processed cheese undergoes a specific manufacturing process to achieve its distinctive characteristics.



Introduction

This report highlights the promising global market for processed cheese (not grated or powdered), with a focus on Egypt's export potential under HS code 040630. The global export value for this product reached \$3.7 billion, with 632 thousand tons traded worldwide.

According to GOEIC data, Egypt exported \$156 million and 43 thousand tons of processed cheese products under HS Codes 040630, 040690, and 210690. This includes \$68 million under HS Code 0406 and \$87 million under HS Code 210690 (Vegetable Fat Cheese Preparations).

The report aims to explore whether Egypt can expand its foothold in this market and identify countries with the most potential for increased market share. Detailed analysis will uncover where Egypt can leverage its production capabilities and target new growth opportunities in global markets.

Global Cheese Market Description

By Source

- Animal-Based
 - Cattle
 - Sheep
 - Goat
 - Camel
- Plant-Based
 - Soya
 - Almond
 - Cashew
 - Others

2. By Type

- Processed
- Natural

3. By Product Type

- Cheddar
- Mozzarella
- Parmesan
- Feta
- Others

By Form

- Block
 - Hard
 - Soft
- Spreadable
- Others

List of Top Cheese Companies

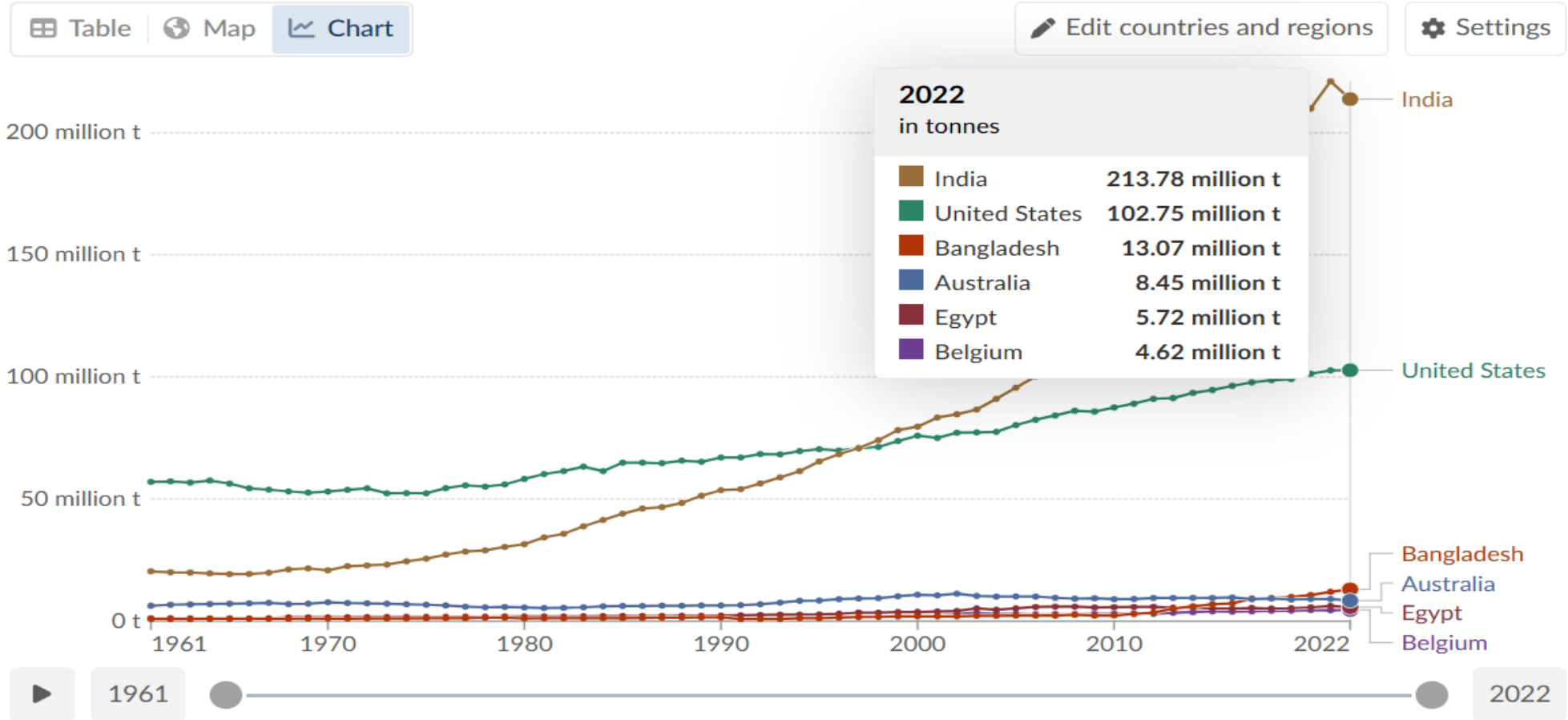
Kraft	Savencia	Bright Dairy & Food	Fonterra Food	Lactalis Group	Bel Group	Dairy Farmers of America
Land O Lakes	Crystal Farms	Arla	Koninklijke ERU	Murray Goulburn Cooperative	Alba Cheese	PT Diamond Cold Storage Indonesia
Follow Your Heart	Daiya	Tofutti	Heidi Ho	Kite Hill	Dr. Cow Tree Nut Cheese	Uhrenholt A/S
Bute Island Foods	Vtopian Artisan Cheeses	Punk Rawk Labs	Violife	Parmela Creamery	Treeline Treenut Cheese	

Sample of Different Types of Cheese from Around the World

Cheese Type	Country of Origin	Description
1. Cheddar	England	A hard, often sharp-tasting natural cheese originating from the English village of Cheddar.
2. Mozzarella	Italy	A traditionally southern Italian cheese made from Italian buffalo's milk by the pasta filata method.
3. Brie	France	A soft cow's-milk cheese named after Brie, the French region from which it originated.
4. Gouda	Netherlands	A mild, yellow cheese made from cow's milk, originating from the Netherlands.
5. Swiss	Switzerland	Known for its distinctive holes or "eyes", this cheese has a mild, nutty flavor.
6. Blue Cheese	<i>Various</i>	Characterized by blue or blue-green veins and a strong, sharp flavor.
7. Feta	Greece	A brined curd white cheese made in Greece from sheep's milk, or from a mixture of sheep and goat's milk.
8. Camembert	France	A moist, soft, creamy, surface-ripened cow's milk cheese from France.
9. Parmesan	Italy	A hard, granular cheese with a rich, sharp flavor, named after the producing areas near Parma, Italy.
10. Roquefort	France	A sheep milk cheese from the south of France, distinguished by its green veins and strong taste.

Milk production from 1961 to 2022

Milk production, 1961 to 2022



Data source: Food and Agriculture Organization of the United Nations (2023)

Milk production in 2022

Rank	Country	Milk production in tonnes
1	India	213,779,230
2	United States	102,747,320
3	Pakistan	62,557,950
4	China	39,914,930
5	Brazil	35,944,056
6	Germany	33,188,890
7	Russia	32,977,956
8	France	25,028,850
9	Turkey	21,563,492
10	New Zealand	21,051,000
11	United Kingdom	15,540,640
12	Poland	15,218,080
13	Netherlands	14,978,960
14	Italy	13,971,690
15	Mexico	13,728,428

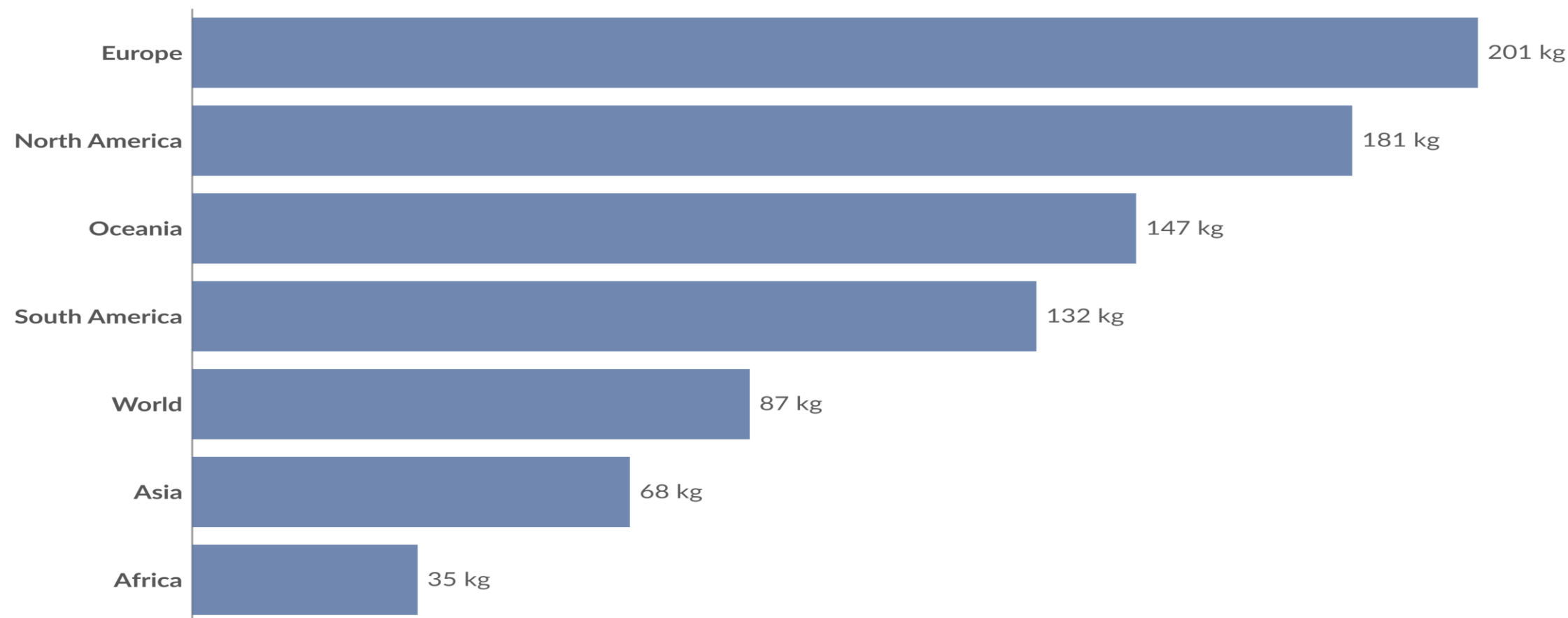
Note: Egypt's annual milk production is approximately 5.72 million tons, reflecting its significant contribution to the dairy industry and providing a foundation for local consumption and export opportunities.

Data source: Food and Agriculture Organization of the United Nations (2023)

Milk consumption per person

Milk supply per person, 2021

Average per capita milk supply, measured in kilograms per person per year. This includes the milk equivalents of dairy products made from milk ingredients, but excludes butter.



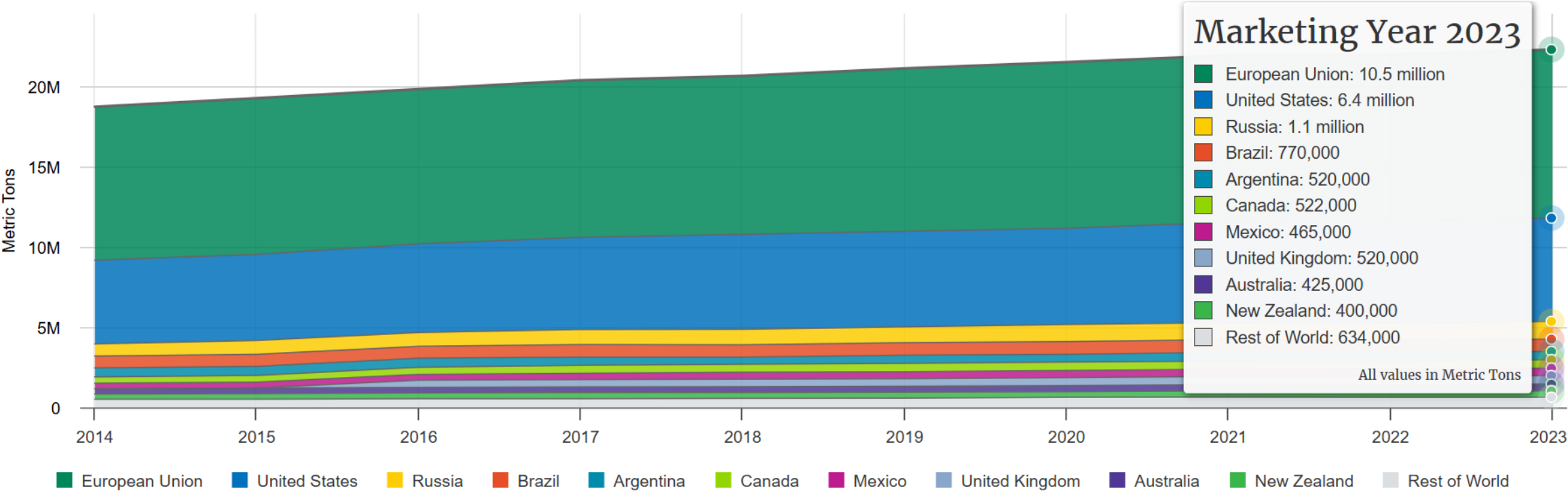
Data source: Food and Agriculture Organization of the United Nations (2023)

OurWorldinData.org/meat-production | CC BY

Note: Data is based on per capita food supply at the consumer level, but does not account for food waste at the consumer level.

Production Trends - Cheese

10 Year Average MY 2014-2023	10-Year Compound Average Growth	2022/2023 Production	2023/2024 Production	Year over Year % Change
20.78 Million <i>Metric Tons</i>	2% <i>MY 2014-2023</i>	21.99 Million <i>Metric Tons</i>	22.3 Million <i>Metric Tons</i>	1%



Top 10 Countries That Produce the Most Cheese (in metric tons)

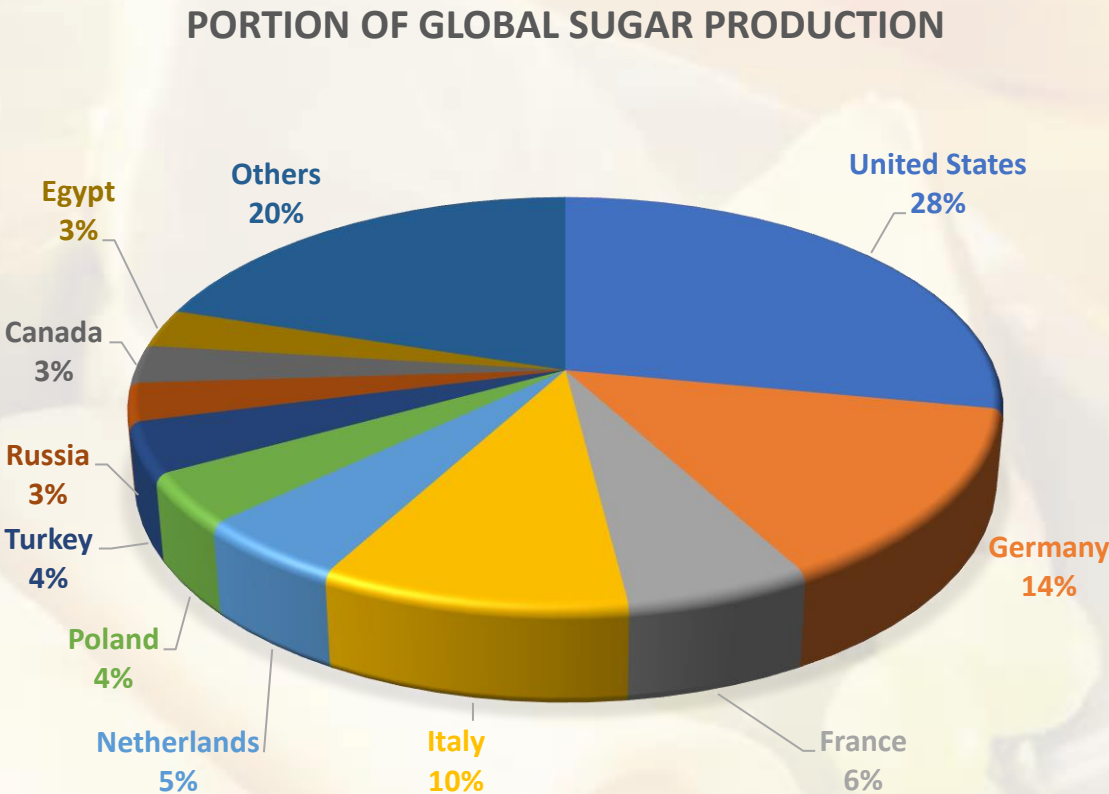
Rank	Country	2023 (Mt)	Portion of Global Cheese Production
1	United States	6,220,001	28%
2	Germany	3,170,500	14%
3	France	2,233,225	6%
4	Italy	1,312,764	10%
5	Netherlands	997,440	5%
6	Poland	893,324	4%
7	Turkey	832,319	4%
8	Russia	747,926	3%
9	Canada	606,856	3%
10	Egypt	592,686	3%

In 2023, global cheese production reached approximately 22 million metric tons.

- The European Union was the largest producer, contributing 10.5 million metric tons, accounting for 47% of global production.
- The United States ranked second, producing 6 million metric tons, representing 28% of global production.

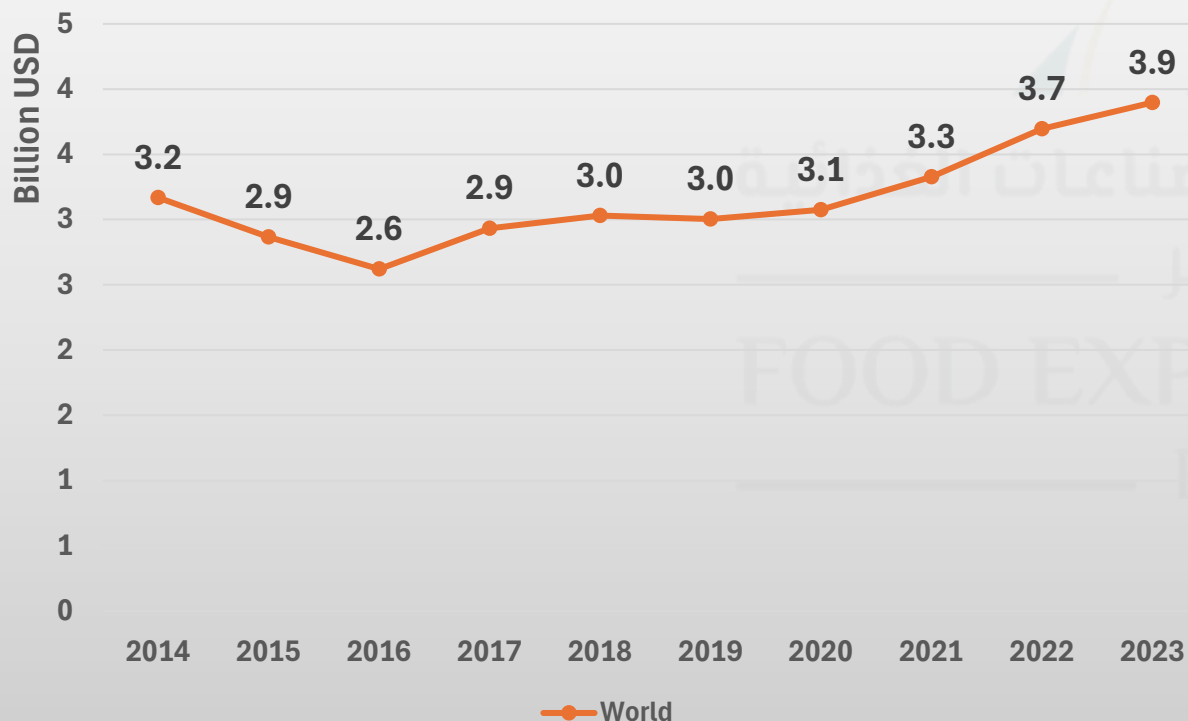
SOURCE: Foreign Agriculture Service USDA (2023)

[Top 10 Largest Cheese Producers in the World in 2024](#)

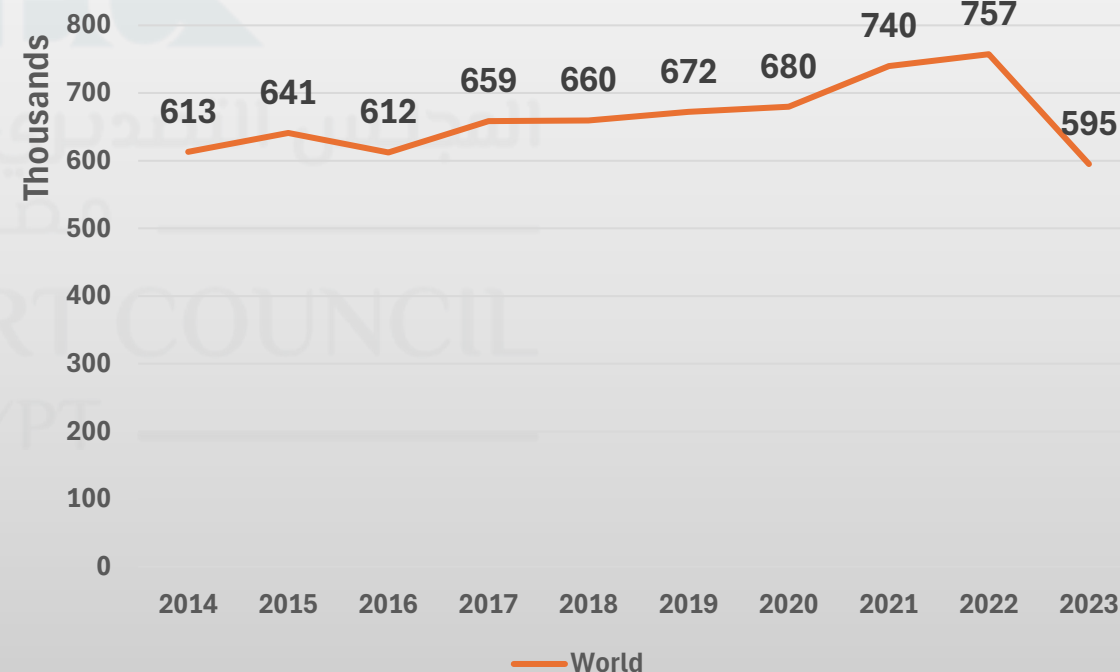


Global Imports and Trend Analysis HS Code 040630

Global Import Values from 2014 to 2023 (in Billion USD)



Global Import Volume from 2014 to 2023 (in Thousands Ton)

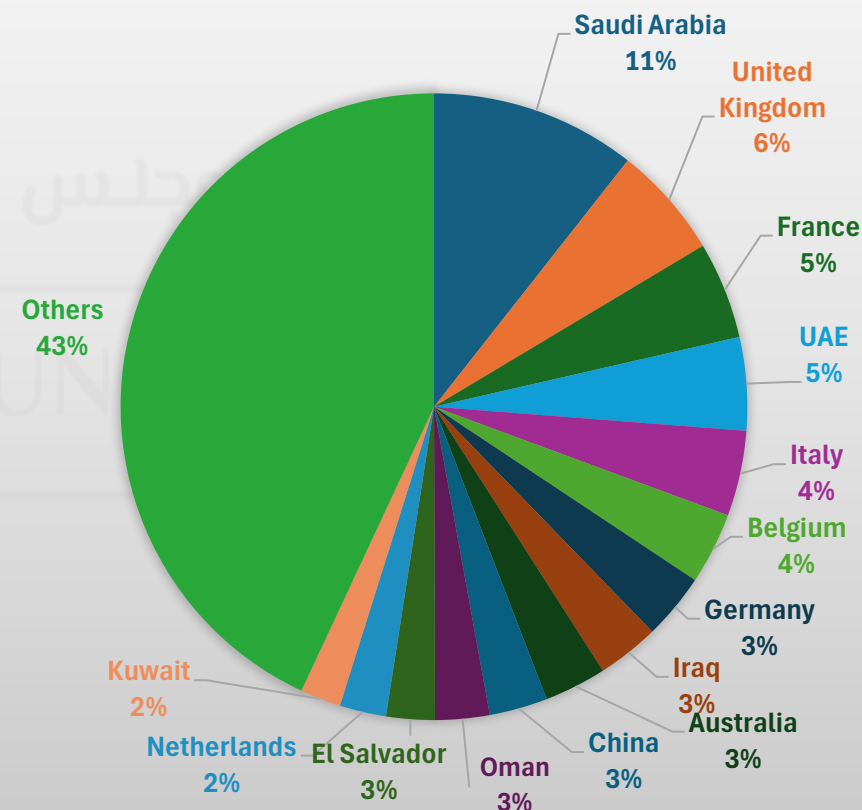


Global import analysis for 2023 revealed a total import value of \$3.9 billion and a quantity of 595 thousand tons. Between 2019 and 2023, import values grew at an annual rate of 8%, while quantities increased by 2% annually. A 6% rise in value from 2022 to 2023 indicates a steady upward trend in prices during this period, with an average unit value of \$6,548.

Top Importing Markets Globally in 2023 HS Code 040630

Rank	Country	Import Value in Million USD	Import Quantity in Thousand Ton	Share in Global Imports	Annual Growth (Value, 2019-2023)	Annual Growth (Quantity, 2019-2023)	Annual Growth (Value, 2022-2023)	Unit value (USD/unit)
1.	Saudi Arabia (Mirror)	320	59	11%	15%	9%	1%	5,437
2.	Uk	225	36	6%	-6%	-6%	-4%	6,263
3.	France	197	39	5%	9%	3%	14%	5,013
4.	UAE	187	32	5%	14%	11%	21%	5,864
5.	Italy	172	35	4%	7%	-1%	25%	4,991
6.	Belgium	143	26	4%	13%	20%	11%	5,452
7.	Germany	134	25	3%	1%	-5%	-10%	5,398

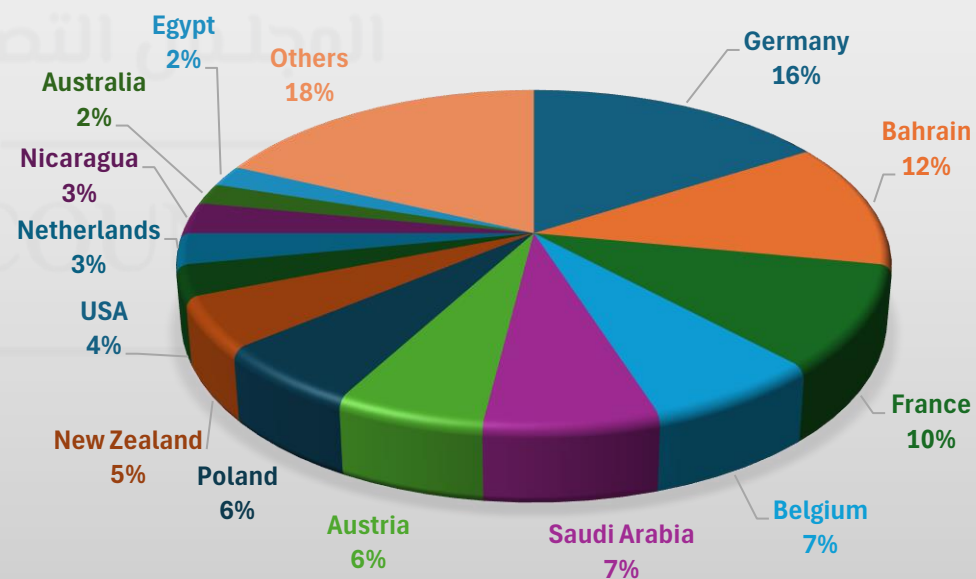
TOP IMPORTING MARKETS GLOBALLY



Top Exporting Markets Globally in 2023

Rank	Country	Export Value in Million USD	Export Quantity in Thousand Ton	Share in Global Exports	Annual Growth in Value (2019-2023)	Annual Growth in Quantity (2019-2023)	Annual Growth in Value (2022-2023)	Unit value (USD/unit)
1.	Germany	584	109	17%	10%	1%	12%	5,350
2.	Bahrain	439	76	13%	48%	58%	5%	5,765
3.	France	349	56	10%	0%	-3%	3%	6,250
4.	Belgium	255	48	8%	9%	2%	10%	5,342
5.	Saudi Arabia	241	43	7%	16%	5%	18%	5604
6.	Austria	231	40	7%	10%	1%	7%	5,779
7.	Poland	217	42	6%	6%	-2%	28%	5202
8.	New Zealand	175	36	5%	10%	4%	0%	4870
9.	USA	120	23	4%	1%	-3%	-18%	5115
10.	Netherlands	95	16	3%	3%	-6%	-2%	6119
11.	Nicaragua	91	26	3%	20%	10%	22%	3507
12.	Australia	89	15	3%	-1%	-6%	11%	5909
13.	Egypt	68	12	2%	-12%	-19%	-26%	5765

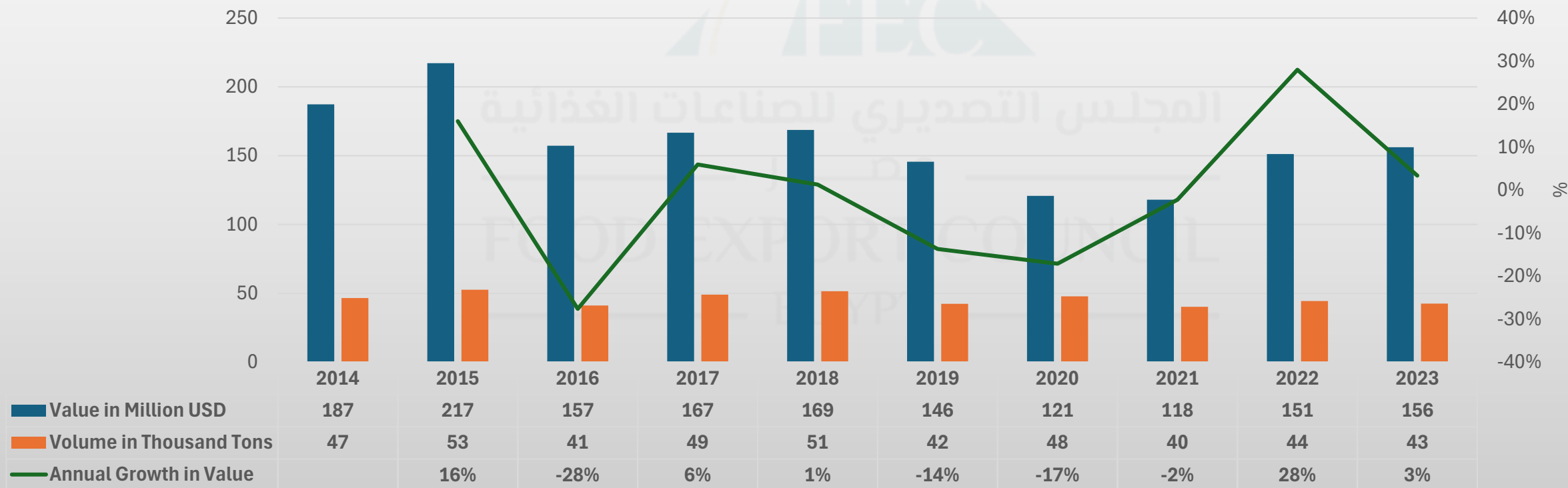
TOP EXPORTING MARKETS GLOBALLY





Egypt Processed Cheese: Volume and Value (2014-2023) (GOEIC DATA)

Egypt Processed Cheese: Volume and Value (2014-2023) (GOEIC DATA)



Detailed Breakdown for 2023:

- **HS Code 040630 (Processed Cheese):** \$68 million, 19 thousand tons.
- **HS Code 040690 (Cooked Cheese):** \$203 thousand, 64 tons.
- **HS Code 210690 (Vegetable Fat Cheese):** \$87 million, 23 thousand tons.

Overview of Egypt's Processed Cheese HS Code 040630

Global Export Position in 2023 (Trade Map)

- Egypt's Share in Global Exports: 2%
- Egypt's World Ranking for processed cheese: 13

According to Trade Map, Egypt's global ranking in processed cheese exports experienced fluctuations between 2015 and 2019:

- **2015:** 3rd place with \$302 million.
- **2016:** 4th place with \$160 million.
- **2017:** 4th place with \$168 million.
- **2018:** 5th place with \$162 million.
- **2019:** 6th place with \$136 million.

Egyptian Export Market Share by Country in 2023 in % (GOEIC Data)

Country	Export Value (2023) in Million USD	Export Quantity in Thousand Ton (2023)	Share in Egypt's Export	Annual Growth Rate in Value between (2022-2023)
Saudi Arabia	23	5	15%	43%
Yemen	16	4	10%	29%
Jordan	7	1.5	5%	24%
Lebanon	6	2.4	3%	-66%
Libya	3	1	2%	-75%
Oman	2	0.8	1%	-54%
UAE	2	0.6	1%	-84%
Iraq	1	0.5	1%	-6%





Top Export Destinations and Growth Trends in 2023 – GOEIC

HS codes 040630, 04090, 210690



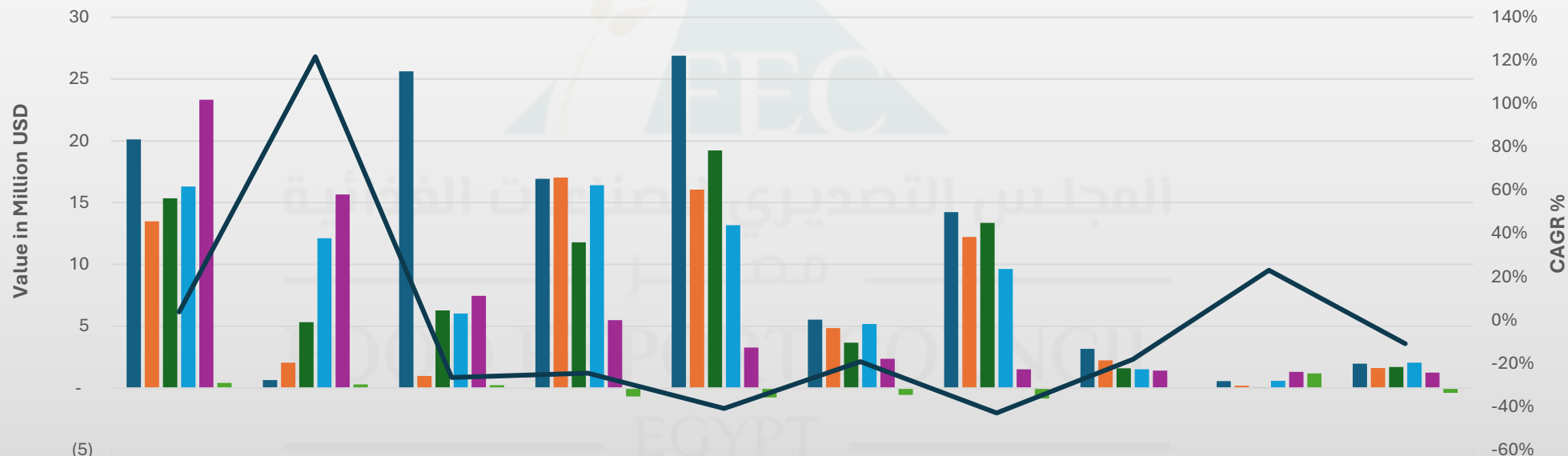
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Egypt Processed Cheese: Top Export Value Destinations and Growth Trends



(5)

	Saudi Arabia	Yemen	Jordan	Lebanon	Libya	Oman	UAE	Iraq	Madagascar	Kuwait
Value Exported in 2019	20	1	26	17	27	6	14	3	1	2
Value Exported in 2020	13	2	1	17	16	5	12	2	0.21	2
Value Exported in 2021	15	5	6	12	19	4	13	2	0.06	2
Value Exported in 2022	16	12	6	16	13	5	10	2	1	2
Value Exported in 2023	23	16	7	6	3	2	2	1	1	1
Annual Growth (2022-2023) %	43%	29%	24%	-66%	-75%	-54%	-84%	-6%	119%	-39%
CAGR Between (2019-2023) %	4%	122%	-27%	-24%	-41%	-19%	-43%	-18%	23%	-11%

Value Exported in 2019

Value Exported in 2020

Value Exported in 2021

Value Exported in 2022

Value Exported in 2023

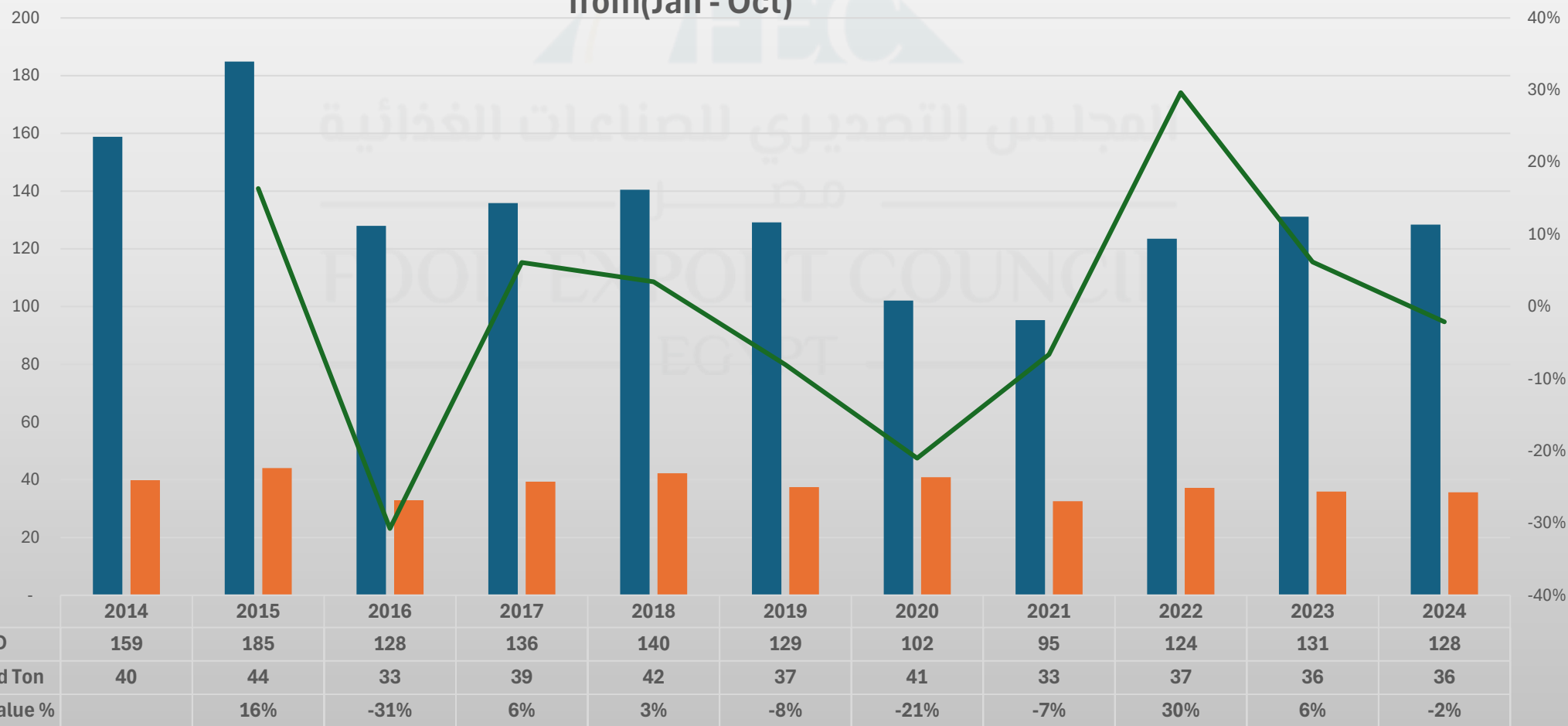
Annual Growth (2022-2023) %

CAGR Between (2019-2023) %



Overview of Egypt's Processed Cheese During the First 10 Months of Each Year" from(Jan - Oct)

Egypt's Exports of Processed Cheese During the First 10 Months of Each Year" from(Jan - Oct)





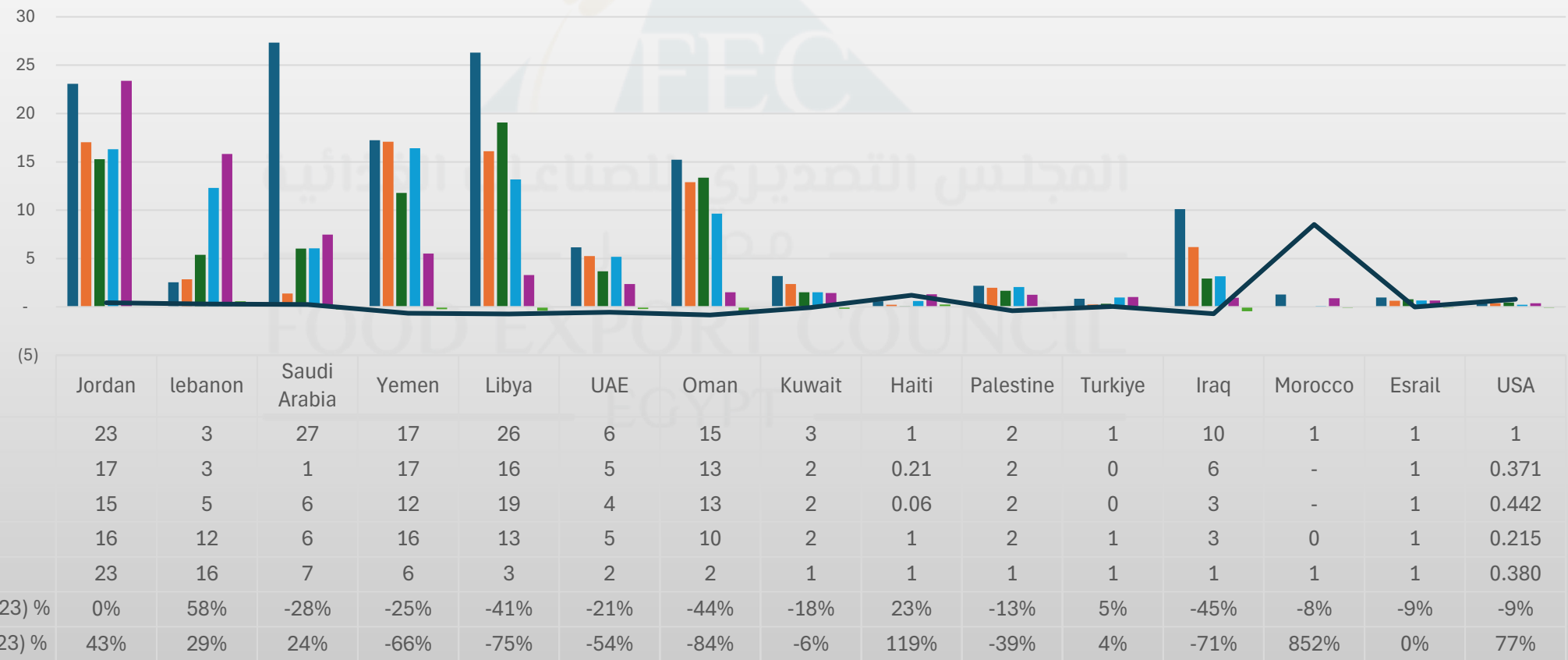
Processed Cheese 0406 from 2014 to 2023



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Egypt Processed Cheese: Top Export Value Destinations and Growth Trends

Value in Million USD



Axis Title

Value Exported in 2019 Value Exported in 2020 Value Exported in 2021 Value Exported in 2022 Value Exported in 2023 CAGR Between (2019-2023) % Annual Growth (2022-2023) %



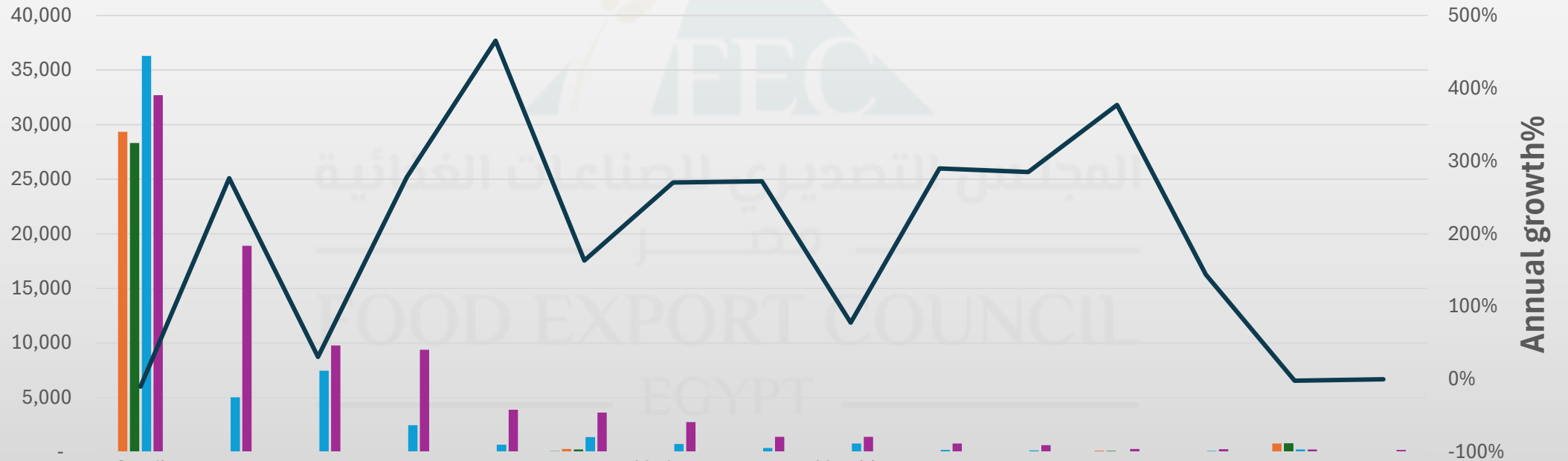
Vegetable Fat Cheese Preparations 210690



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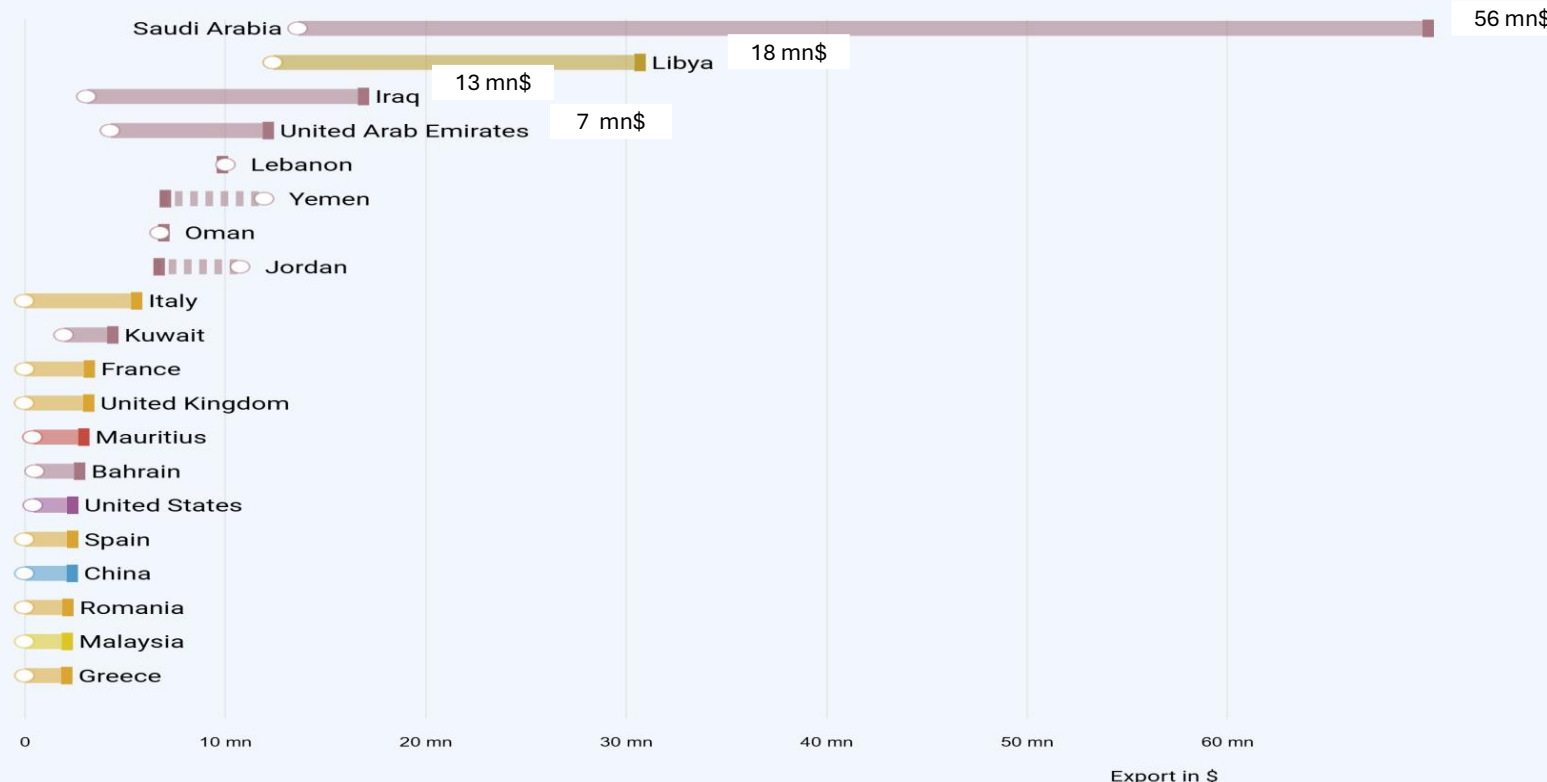
Egypt Vegetable Fat Cheese Preparations Top Export Value Destinations and Growth Trends

Value in Thousand USD



Value Exported in 2019	25	-	-	74	-	99	-	71	-	-	19	25	-	78	-
Value Exported in 2020	29,350	-	-	19	-	302	38	-	-	-	-	140	-	793	-
Value Exported in 2021	28,325	-	-	10	-	240	70	0	16	-	5	113	-	810	-
Value Exported in 2022	36,303	5,024	7,465	2,481	688	1,376	744	376	785	206	169	61	111	258	-
Value Exported in 2023	32,697	18,910	9,763	9,372	3,887	3,620	2,759	1,400	1,398	801	651	292	271	253	200
CAGR Between (2019-2023) %	502%	0%	0%	235%	0%	146%	0%	111%	0%	0%	142%	84%	0%	34%	0%
Annual Growth (2022-2023) %	-10%	276%	31%	278%	465%	163%	271%	272%	78%	290%	285%	377%	144%	-2%	0%

Markets with potential for Egypt's exports of processed cheese HS Code: 040630



Markets with potential for Egypt's exports of Processed cheese

Legend

- Export potential
- Actual exports
- Potential to actual exports gap
- Middle East
- Northern Africa
- EU & West Europe
- Eastern Africa
- North America
- East Asia
- Southeast Asia

ITC Export Potential Map
exportpotential.intracen.org

Key findings: The markets with greatest potential for Egypt's exports of 040630 Processed cheese are Saudi Arabia, Libya and Iraq. Saudi Arabia shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$56 mn.

Export Potential of Egypt Across Top Countries Under HS Code 040630

	Country	Export Potential	Actual Export Value	Unrealized Potential Remaining	MFN Duties Applied	Preferential Tariff
	Saudi Arabia	\$69 mn	\$14 mn	\$56 mn	6%	0%
	Libya	\$30 mn	\$12 mn	\$18 mn	0%	None
	Iraq	\$16 mn	\$3.1 mn	\$13 mn	N/A	N/A
	UAE	\$12 mn	\$5.2 mn	\$7.2 mn	5%	0%
	Italy	\$4.9 mn	\$0	\$4.9 mn	24.52%	0%

Egypt's processed cheese exports under HS code 170490 have an unrealized potential of \$99.1 million across the top five markets. The focus will be on the markets with the largest absolute difference in unrealized potential, specifically Saudi Arabia and Libya.



Saudi Arabia Market

Mirror Data 040630



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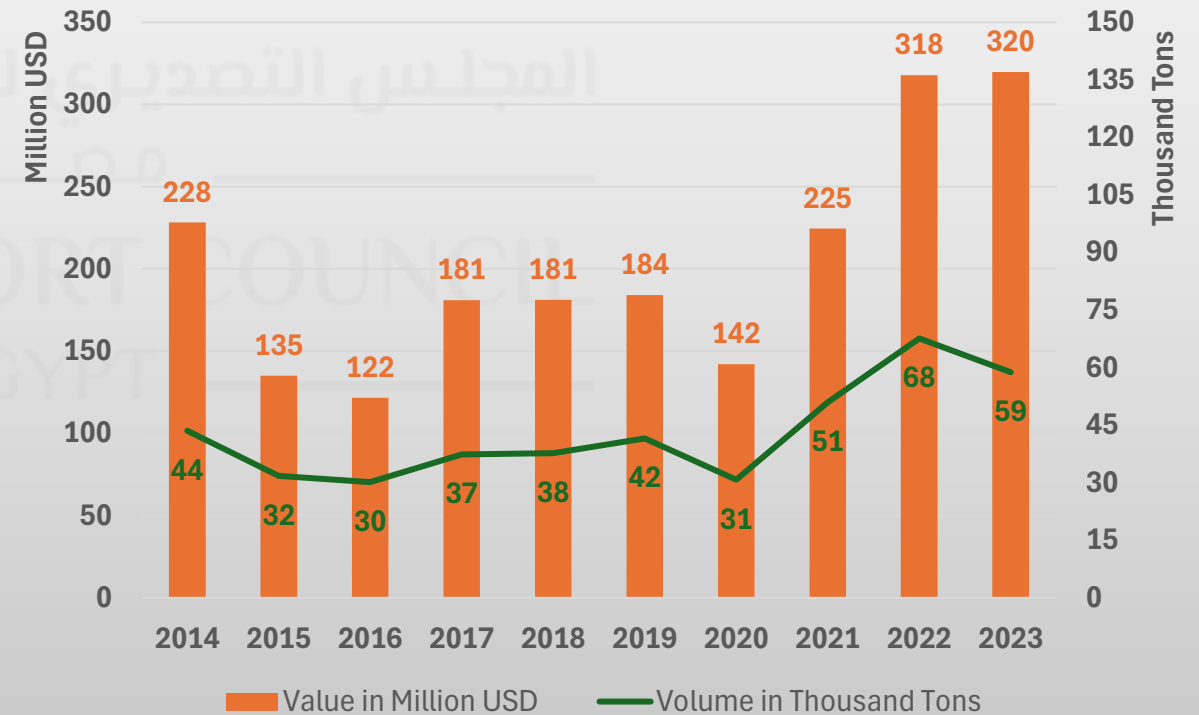
Overview of Saudi Arabia Import Performance in 2023 (Trade Map)

- Saudi Arabia's imports represent 11%.
- Its ranking in world imports is 1st
- Total Imports: 320 million USD
- Import Quantity: 59 thousand ton
- Unit Value(USD/unit): 5,437

Annual Growth Analysis

- Annual Growth Value (2019-2023): 15%
- Annual Growth Quantity (2019-2023): 9%
- Annual Growth Value (2022-2023): 1%

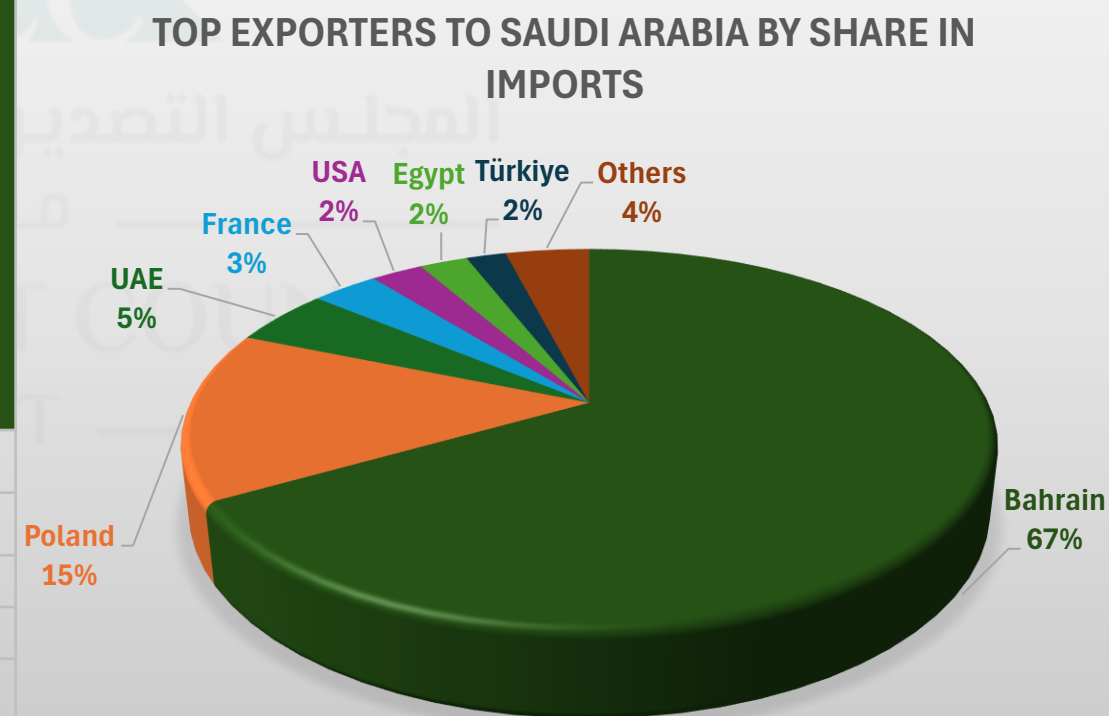
Saudi Arabia Processed Cheese: Volume and Value Trends (2014-2023)



Top Exporters to Saudi Arabia by Share in Imports in 2023

Top Exporters to Saudi Arabia by Share in Imports: Import Value, Volume, and Unit Value

Exporters	Imported Value in Million USD	Imported Volume in thousand tons	Share in Saudi Arabia's Import	Annual Growth in Value (2019-2023) %	Annual Growth in Volume (2019-2023) %	Annual Growth in Value (2022-2023) %	Unit value (USD/unit)
Bahrain	213	37	67%	49%	59%	-5%	5,765
Poland	46	8	15%	4%	-3%	33%	5,632
UAE	15	3	5%	-11%	-16%	0%	5,764
France	10	2	3%	-11%	-16%	0%	6,741
USA	8	2	2%	14%	6%	-27%	3,746
Egypt	7	1	2%	-6%	-13%	24%	5,766



Source: ITC (Trade Map)

To explore the market access conditions in Saudi Arabia: [Market Access Map \(macmap.org\)](https://macmap.org)

There, you can find comprehensive information about the market entry requirements and regulations in Saudi Arabia.



Libya Market

Mirror Data 040630



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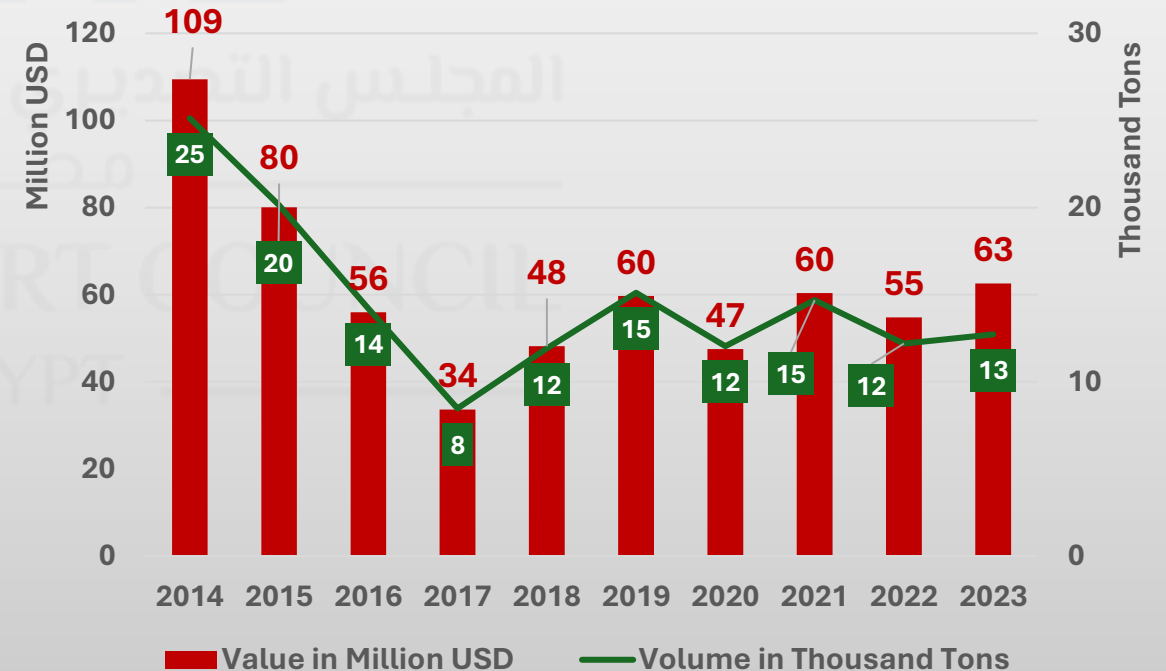
Overview of Libya Import Performance in 2023 (Trade Map)

- Libya's imports represent 2%.
- Its ranking in world imports is 20th
- Total Imports: 63 million USD
- Import Quantity: 13 thousand ton
- Unit Value(USD/unit): 4,913

Annual Growth Analysis

- Annual Growth Value (2019-2023): 2%
- Annual Growth Quantity (2019-2023): -3%
- Annual Growth Value (2022-2023): 14%

Libya's Processed Cheese: Volume and Value Trends (2014-2023)

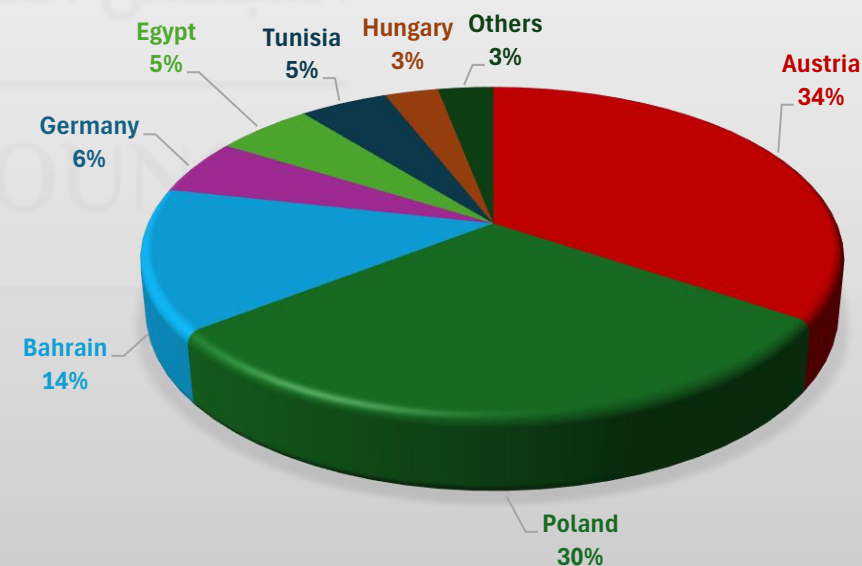


Top Exporters to Libya by Share in Imports in 2023

Top Exporters to Libya by Share in Imports: Import Value, Volume, and Unit Value

Exporters	Imported Value in Million USD	Imported Volume in tons	Share in Libya's Import	Annual Growth in Value (2019-2023) %	Annual Growth in Volume (2019-2023) %	Annual Growth in Value (2022-2023) %	Unit value (USD/unit)
Austria	21	3,983	34%	15%	9%	83%	5,374
Poland	19	4,199	30%	23%	15%	48%	4,475
Bahrain	9	1,505	14%	93%	93%	31%	5,766
Germany	3	695	6%	1%	-7%	-36%	4,840
Egypt	3	570	5%	-36%	-40%	-75%	5,770

TOP EXPORTERS TO LIBYA BY SHARE IN IMPORTS



Source: ITC (Trade Map)

To explore the market access conditions in Libya: [Market Access Map \(macmap.org\)](https://macmap.org)
 There, you can find comprehensive information about the market entry requirements and regulations in Libya.

Challenges in Exporting Processed Cheese

1. Regulatory Compliance: Food Safety Standards:

- Different countries have varying food safety regulations that must be adhered to. For instance, in the European Union, strict regulations govern dairy imports, including hygiene standards and labeling requirements. Non-compliance can lead to shipment rejections or delays.
- Halal Certification: In markets like the Middle East, Halal certification is crucial for dairy products. Exporters must ensure that their products are certified to meet local religious and cultural requirements, complicating the export process.

2. Logistical Challenges

- Transportation Issues: Political instability in regions such as Libya can disrupt supply chains, leading to increased transportation costs and delays. For example, a major Egyptian exporter faced significant delays in 2022 due to road blockages, affecting delivery schedules and resulting in product spoilage.
- Cold Chain Management: Processed cheese requires proper temperature control during transportation to maintain quality. Any failure in the cold chain can lead to spoilage, impacting the product's safety and marketability.

3. Market Competition

- Local Preferences: In both Libya and Saudi Arabia, there is strong competition from local dairy producers. Egyptian exporters must differentiate their products to compete effectively. Research indicates that 60% of Libyan consumers prefer locally flavored processed cheese, necessitating product adaptation.
- Brand Loyalty: Saudi consumers often exhibit brand loyalty, with studies showing that 70% prefer local brands. This can pose a challenge for new entrants from Egypt, who must invest in marketing and brand building to gain market share.

4. Economic Factors

- Fluctuating Costs: Economic instability, particularly in Libya, can lead to fluctuating costs for raw materials and transportation. Exporters must be prepared for these variations, which can affect pricing strategies and profit margins.
- Consumer Spending Power: Changes in consumer spending power, influenced by economic conditions, can impact demand for imported products. For example, during economic downturns, consumers may prioritize cheaper local alternatives over imported processed cheese.

Conclusion

- The global processed cheese market experienced significant growth from 2019 to 2023, reaching a value of \$3.9 billion and a volume of 595 thousand tons by 2023. The market grew at an annual rate of 8% in value and 2% in volume. A 6% rise in value from 2022 to 2023 indicates a steady upward trend in prices, with an average unit value of \$6,548.
- **Egypt's Contribution to the Market:** In 2023, Egypt contributed \$156 million and 43 thousand tons to global processed cheese exports under HS codes 040630, 040690, and 210690. The breakdown is as follows:
 - **HS Code 040630 (Processed Cheese):** \$68 million, 19 thousand tons.
 - **HS Code 040690 (Cooked Cheese):** \$203 thousand, 64 tons.
 - **HS Code 210690 (Vegetable Fat Cheese Preparations):** \$87 million, 23 thousand tons.
 - Egypt ranked 12th globally, accounting for 2% of world exports for these categories.
- **Key Importing and Exporting Markets:**
 - **Top Importers in 2023:** Saudi Arabia led with 11% of global imports, followed by the UK (6%), France (5%), UAE (5%), Italy (4%), and Belgium (4%). These markets collectively accounted for 35% of global imports.
 - **Top Exporters in 2023:** Germany was the largest exporter with a 17% share, followed by Bahrain (13%), France (10%), Belgium (8%), and Austria (7%). Together, these countries held 55% of global exports.

Conclusion following

- **Opportunities for Egypt's Exports:**

- **Processed Cheese (HS Code 040630):** The largest unrealized export potential for Egypt is in Saudi Arabia, with an opportunity to increase exports by \$56 million. Other key markets with potential are Libya and Iraq.
- **Food Preparations (HS Code 210690):** The United States, UAE, and Libya represent the greatest unrealized export potential, with the US showing a \$48 million opportunity for Egypt.

- **Market Dynamics in Key Importing Countries:**

- **Saudi Arabia:** As the largest importer of processed cheese, Saudi Arabia imported \$320 million (59 thousand tons) in 2023. The import value grew by 15% annually from 2019 to 2023, and volume increased by 9%. However, the unit value decreased to \$5,437 per ton in 2023, though there was a 1% increase in value between 2022 and 2023.
- **Libya:** Ranking 20th globally, Libya imported \$32 million (7 thousand tons) in processed cheese in 2023. Import value grew by 2% from 2019 to 2023, while volume decreased by 3%. Between 2022 and 2023, Libya experienced a 14% increase in import value, with a unit value of \$4,483 per ton.

References

General Organization for Export and Import Control (GOEIC)

ITC (International Trade Centre)

TradeMap

Market Access Map

Export Potential Map

USDA Foreign Agricultural Service

Statista

Global Info Research

World Ranking “Top Largest Cheese Producers”

Appendices

[Processed Cheese Report Attachments - Google Drive](#)

[Market Studies - Google Drive](#)

FEC Market Intelligence Unit :

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Thank
you !