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Report Name: Grain and Feed Update

Country: Algeria

Post: Algiers

Report Category: Grain and Feed

Prepared By: Nabila Hales

Approved By: Justina Torry

Report Highlights:

The Algerian Minister of Agriculture forecasts Algerian grain production to reach 3 to 3.2 million metric tons (MMT) in MY2022/23. This is an increase from last marketing year and supports the Algerian policy to increase domestic production. USDA's crop explorer's Accumulated Normalized Difference Vegetation Index (NDVI) chart shows vegetation conditions remaining within the Minima/Maxima monthly standard for the region and within the normal average in the three regions of Algeria. The Minister of Agriculture stated that Algeria has sufficient wheat reserves for the next ten months, although the Algerian Office of Cereals (OAIC) continues to purchase wheat on the international market.

Executive summary

According to the Normalized Difference Vegetation Index (NDVI) by region, the vegetation index is within normal range. The USDA crop explorer's Accumulated Normalized Difference Vegetation Index (NDVI) chart shows the marketing year (MY2022/23)'s vegetation conditions remained within the Min/Max range (Minima/Maxima monthly standard for the region) and within the normal average in the three regions of Algeria (Mediterranean Coast, high lands and desert areas).

In MY2022/23, overall precipitation levels were higher than the normal average and higher than last year's levels in the Mediterranean Coast areas but lower in the high plateaus. This resulted in lower soil moisture levels in the highlands.

In a May 30, 2022, interview with the ENNAHAR TV, the Minister of Agriculture, Mr. Mohamed Abdelhafid Henni forecasted that grain production would reach 3 to 3.2 million metric tons (MMT) in MY2022/23. This represents an increase from last marketing year when production was 2.4 MMT.

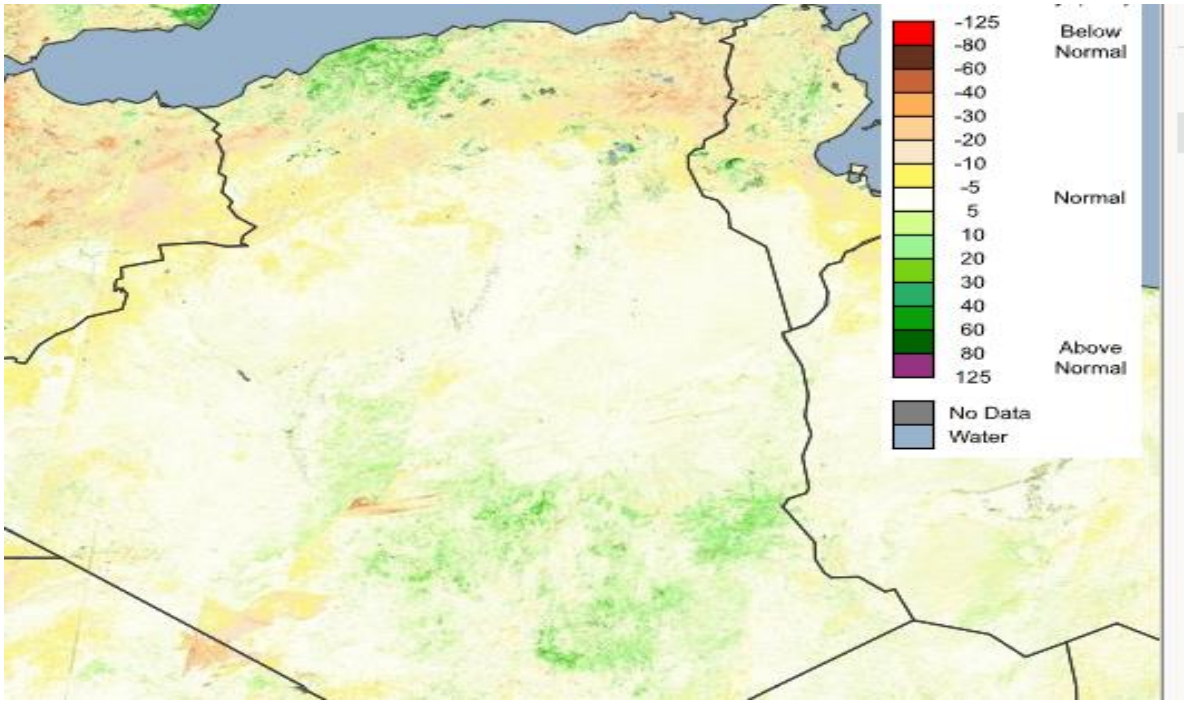
In addition, the Minister stated that Algeria has sufficient wheat reserves for the next ten months, and that it has imported 3 MMT so far and that imports are ongoing. Algeria's imports from Ukraine and Russia represent only 4% and the war has not had an impact on Algeria's imports. Algeria has always relied primarily on imported wheat from France, Germany, Spain, Canada, the United States, Argentina, Uruguay and Mexico.

Post revises wheat production to 2.400 MMT in MY2021/22 and estimates wheat production at 3 MMT for MY2022/23. Post estimates barley production at 1.200 MMT for MY2022/23. Wheat imports are estimated at 7.900 MMT and barley imports at 850 MMT for MY2022/23.

Crop Update

According to the Normalized Difference Vegetation Index (NDVI) by region, the vegetation index is within normal range. However, crop conditions look sparse in the highlands. The satellite image shows dry pockets in the eastern region, the highlands and some dry areas in the western area. In MY2022/23 overall precipitation levels were higher than the normal average and higher than last year's level in the Mediterranean Coast areas but lower in the high plateaus. This resulted in lower soil moisture levels in the highlands. (See precipitation chart below).

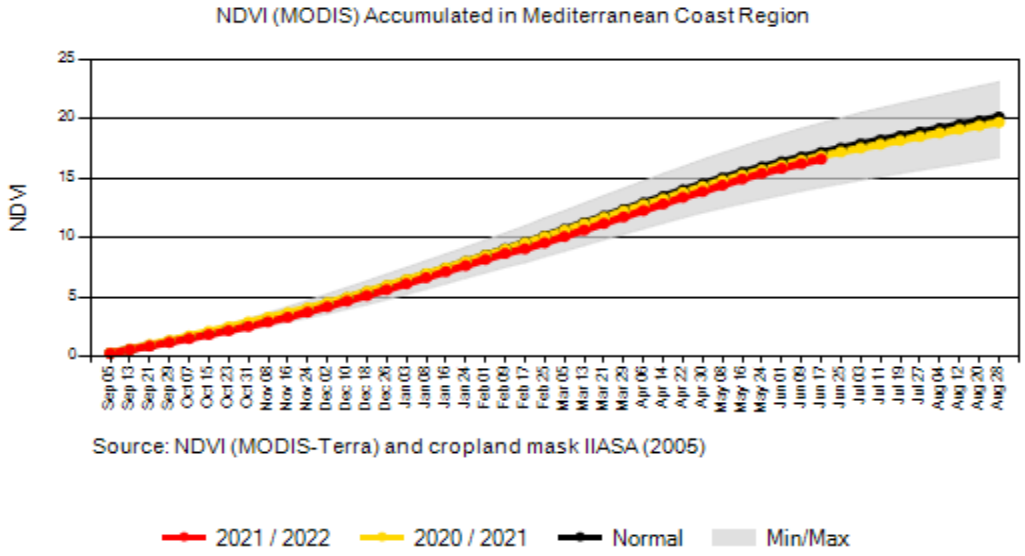
Figure 1: Algeria's Normalized Difference Vegetation Index by Region (NDVI) as of June 20, 2022:



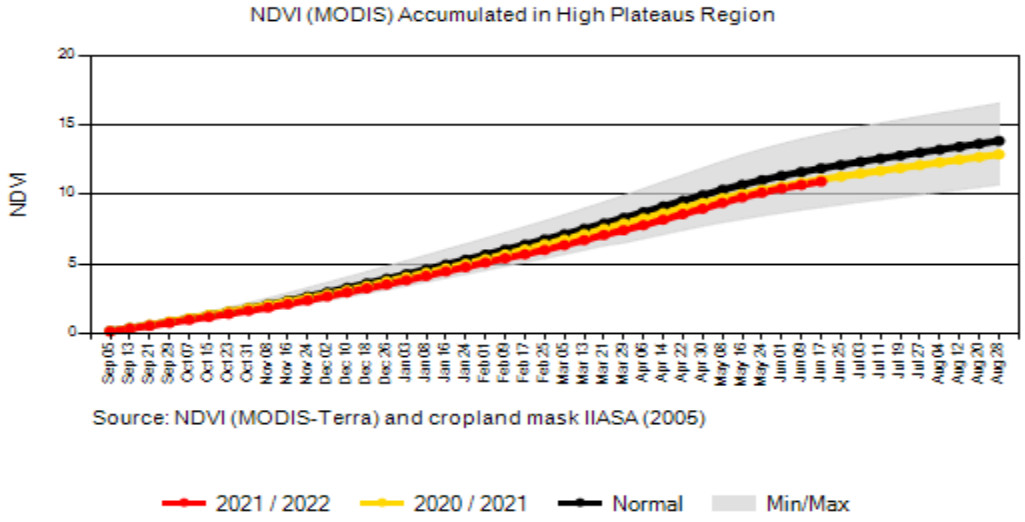
Source: (https://glam1.gsfc.nasa.gov/)

The USDA crop explorer's Accumulated Normalized Difference Vegetation Index (NDVI) chart below shows as of June 17, 2022, the MY2022/23 crop conditions were the same as in September 2020-2021 for the Mediterranean coast, highlands and desert areas. Later, the vegetation conditions looked slightly lower than the previous year through June. However, the vegetation conditions remained within the Min/Max range (Minima/Maxima monthly standard for the region) and normal average in the three regions.

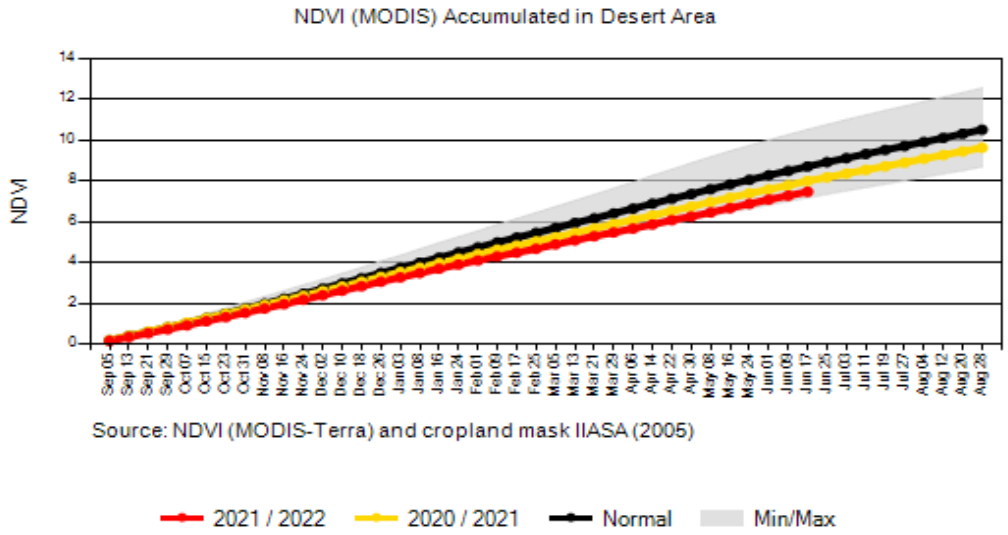
***Figure 2: Algeria: Accumulated Normalized Difference Vegetation Index (NDVI) by region as of June 17, 2022*:**



Source: Crop Explorer (**https://ipad.fas.usda.gov/cropexplorer/**)



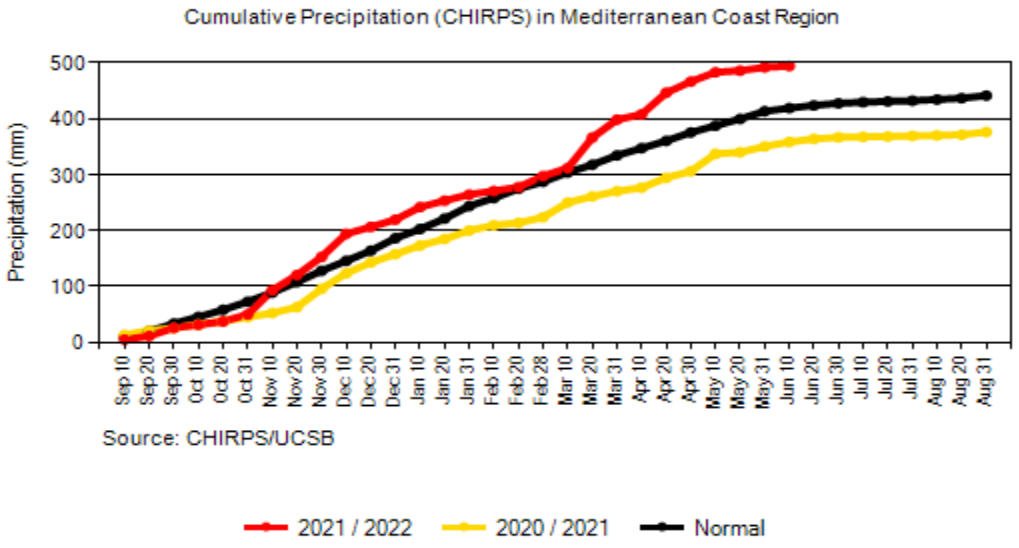
Source: Crop Explorer (**https://ipad.fas.usda.gov/cropexplorer/**)



Source: Crop Explorer (**https://ipad.fas.usda.gov/cropexplorer/**)

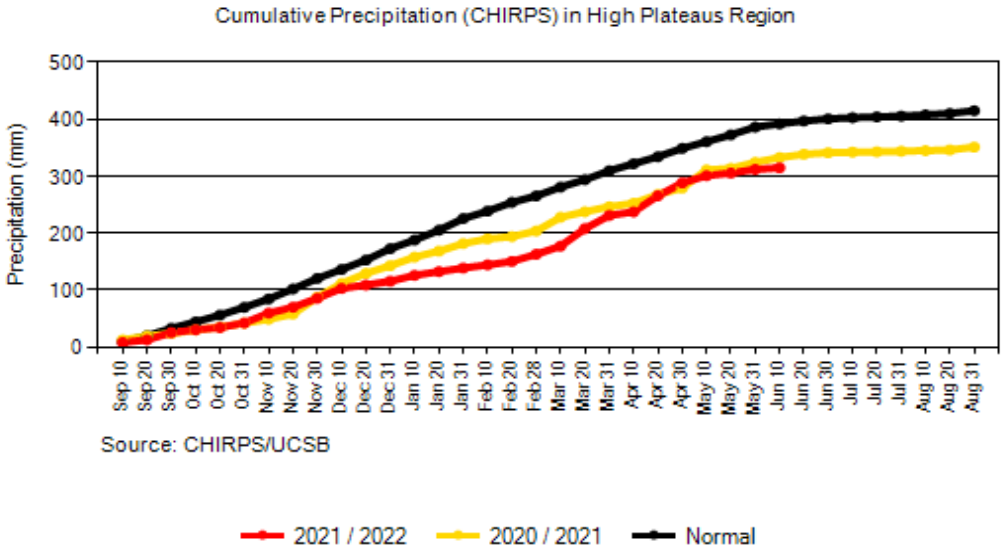
The USDA Crop Explorer Cumulative Precipitation chart below as of June 10, 2022, shows overall precipitation levels are higher than normal average, and higher than last year's levels in the Mediterranean coastal region. Precipitation levels were above average from November through June. Rain resumed in November, December, and January. Rain decreased in February then continued through June.

Figure 3: Algeria: USDA Crop Explorer Cumulative Precipitation Chart (As of June 10, 2022)

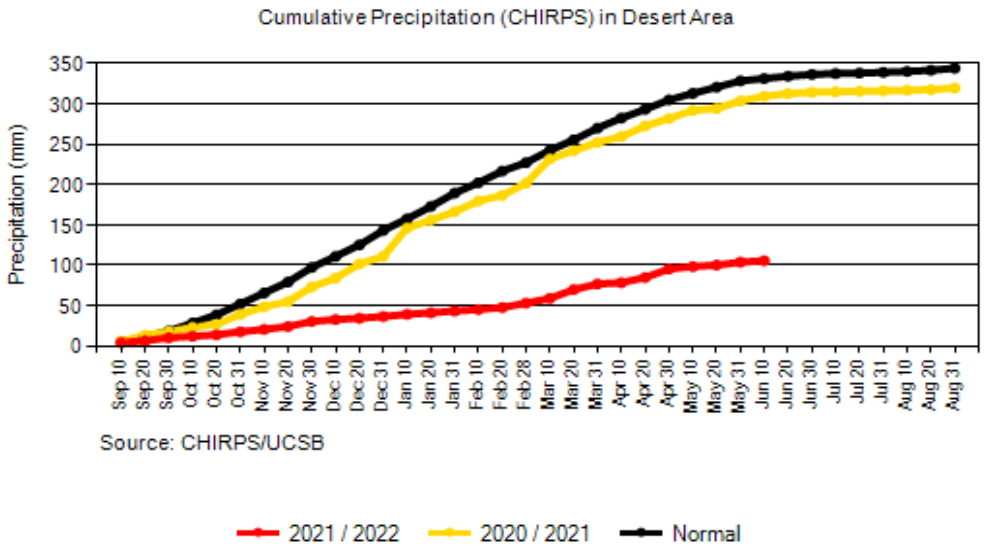


(Source: https://ipad.fas.usda.gov/cropexplorer)

The USDA Crop Explorer Cumulative Precipitation chart below as of June 10, 2022, shows overall lower precipitation levels in Algeria's high plateaus. In October, the precipitation levels declined to below average and below last year's levels through April. Precipitation reached the same level again in May through the first week of June. Precipitation remained below average in the high plateaus and far from the average and far from last year's level in the desert areas.



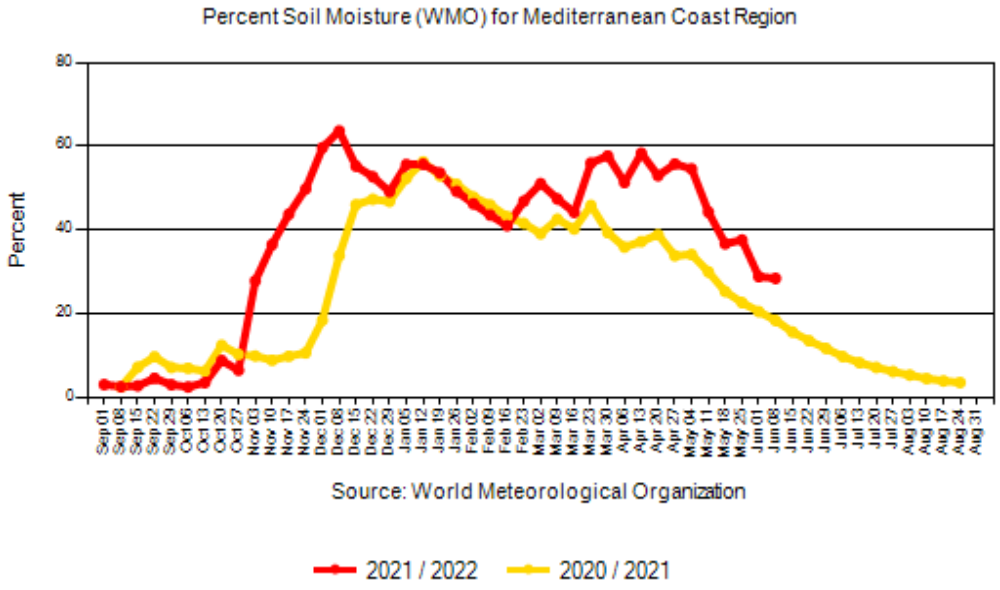
(Source: https://ipad.fas.usda.gov/cropexplorer)



(Source: https://ipad.fas.usda.gov/cropexplorer)

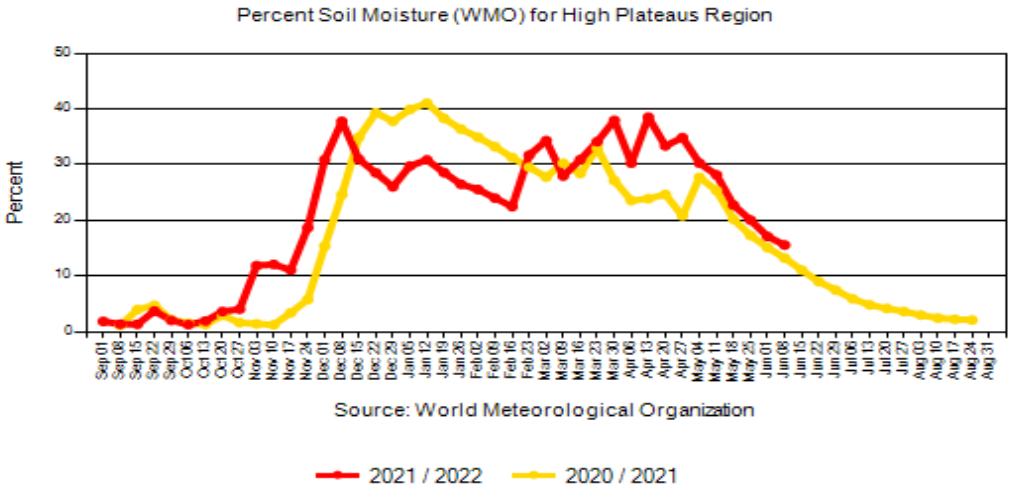
Precipitation levels are reflected in the soil moisture charts below. Soil moisture levels overall were higher than last year's levels in the Mediterranean coastal region, except for during the September-October period.

Figure 4: Algeria: USDA Crop Explorer Soil Moisture Chart (As of June 19, 2022)



(Source: https://ipad.fas.usda.gov/cropexplorer)

In the high plateaus, soil moisture was the same as last year's level except during the period from the end of November through February. Soil moisture declined during this period as rain decreased.



(Source: https://ipad.fas.usda.gov/cropexplorer)

In May 5, 2022, an Algerian press release, reported that the Ministry of Agriculture indicated that the harvest campaign has started in the southern provinces. Harvest in these areas started with favorable forecasts for cereals, including durum wheat, bread wheat, barley and corn. According to Ministry of Agriculture specialists, these areas in the south can meet a large share of the domestic consumption. Grain harvest season usually starts earlier in the end of April through early May in the south of Algeria (Saharan regions). In these hot and dry areas, farmers use pivot systems for irrigation. In those areas, usually yields can range from 45 to 80 quintals per hectare (HA). In the Northern areas, the harvest starts later in May through July and August.

During a May 30, 2022, interview with ENNAHAR TV, the Minister of Agriculture, Mr. Mohamed Abdelhafid Henni outlined the agriculture sector strategy and released agricultural indicators. The Minister indicated that arable land is 8.6 million HA, and agriculture sector represents 13 percent of the GDP. In addition, the production value reached $25 billion for 2021.
Furthermore, the Minister forecasted that grain production would reach 3 to 3.2 MMT in MY2022/23, higher than MY2021/22 (2.4 MMT). On May 12, 2022, the Minister stated in a press release that the total area planted with cereals during this season is estimated at 2,900,000 HA, of which 54 percent is durum wheat, 29 percent barley, 14 percent bread (common) wheat and 3 percent oats.

Given the Minister of Agriculture's projections, during his interview, Post revises wheat production to 2.400 MMT in MY2021/22 and estimates wheat production at 3 MMT for MY2022/23. Post estimates barley production at 1.200 MMT for MY2022/23. Post maintains USDA forecast for barley production in MY2021/22.

Consumption

Algeria is among the largest consumers of wheat in the world, a commodity eaten mainly in the form of bread and couscous made from semolina. Wheat is the major staple food and represents 60 percent of the food ration in Algeria. However, the government is encouraging consumers to decrease consumption of bread to avoid waste and decrease the demand on bread (common) wheat thus reducing imports.

Wheat consumption will remain relatively stable for the near future. Post forecasts wheat consumption at 11.150 MMT for MY2022/23.

Barley is consumed mainly as a grain in animal feed by sheep, cattle, and camels, with small amounts consumed as green fodder, and minor amounts used for traditional foods. Algeria's breweries consume small amounts of barley, which is generally imported from Europe. Barley consumption is a function of weather-related pasture conditions—in general, bad pasture conditions result in increased demand for barley.

Post forecasts barley consumption at 2.100 MMT for MY2022/23.

Trade

As outlined in previous reports, Algerian press reported in the beginning of the war that the Algerian Office of Cereals (OAIC) assured that the war between Russia and Ukraine would not affect the country's grain imports. The OAIC noted that Algeria is adopting a policy of diversification of its commercial partners.

Algeria's imports from Ukraine and Russia represent only 4% and the war does not have an impact on Algeria's imports. Algeria has always relied primarily on imported wheat from France, Germany, Spain, Canada, the United States, Argentina, Uruguay and Mexico.

The Minister of Agriculture, Mohamed Abdelhafid Henni, reiterated during his interview with ENNAHAR TV (see above) the statement that Algeria has sufficient wheat reserves for the next ten months, and that it has imported 3 MMT so far and imports are ongoing.

Traders indicate that the OAIC will likely continue to purchase bread wheat and durum on the international market throughout 2022. Traders' reports indicated that OAIC returned to market in April with a tender to buy durum wheat for a May-June shipment and in May with a tender for bread wheat for July shipment. According to these reports, Algeria remained the biggest recipient of EU wheat.

Post estimates wheat imports at 7.900 MMT and barley imports at 850 MMT for MY2022/23.

Wheat, Production, Supply and Distribution

Wheat	2020/2021		2021/2022		2022/2023	
Market Year Begins	**Jul 2020**		**Jul 2021**		**Jul 2022**	
Algeria	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	2075	2074	2075	2074	2075	2075
Beginning Stocks (1000 MT)	5358	5358	4992	5756	3917	4856
Production (1000 MT)	3107	3900	2500	2400	3700	3000
MY Imports (1000 MT)	7680	7548	7800	7800	7900	7900
TY Imports (1000 MT)	7680	7548	7800	7800	7900	7900
TY Imp. from U.S. (1000 MT)	188	188	0	0	0	0
Total Supply (1000 MT)	16145	16806	15292	15956	15517	15756
MY Exports (1000 MT)	3	0	5	0	10	0
TY Exports (1000 MT)	3	0	5	0	10	0
Feed and Residual (1000 MT)	50	50	70	50	70	50
FSI Consumption (1000 MT)	11100	11000	11300	11050	11500	11100
Total Consumption (1000 MT)	11150	11050	11370	11100	11570	11150
Ending Stocks (1000 MT)	4992	5756	3917	4856	3937	4606
Total Distribution (1000 MT)	16145	16806	15292	15956	15517	15756
Yield (MT/HA)	1.4973	1.8804	1.2048	1.1572	1.7831	1.4458
(1000 HA), (1000 MT), (MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Wheat begins in July for all countries. TY 2022/2023 = July 2022 - June 2023						

Barley, Production, Supply and Distribution

Barley	2020/2021		2021/2022		2022/2023	
Market Year Begins	**Jul 2020**		**Jul 2021**		**Jul 2022**	
Algeria	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	978	1026	1025	1026	1025	1026
Beginning Stocks (1000 MT)	653	653	352	489	152	239
Production (1000 MT)	1213	1000	950	950	1600	1200
MY Imports (1000 MT)	836	836	800	850	500	850
TY Imports (1000 MT)	780	780	750	750	500	850
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2702	2489	2102	2289	2252	2289
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	2000	1650	1600	1700	1600	1750
FSI Consumption (1000 MT)	350	350	350	350	350	350
Total Consumption (1000 MT)	2350	2000	1950	2050	1950	2100
Ending Stocks (1000 MT)	352	489	152	239	302	189
Total Distribution (1000 MT)	2702	2489	2102	2289	2252	2289
Yield (MT/HA)	1.2403	0.9747	0.9268	0.9259	1.561	1.1696
(1000 HA), (1000 MT), (MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Barley begins in October for all countries. TY 2022/2023 = October 2022 - September 2023						

Attachments:

No Attachments