

**Required Report:** Required - Public Distribution

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**Report Name:** Grain and Feed Annual

**Country:** Tunisia

**Post:** Tunis

**Report Category:** Grain and Feed

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**Report Highlights:**

Wheat and barley crops have received sufficient rainfall. Post forecasts MY 2021/22 wheat and barley production at 1.2 MMT and 650,000 MT, respectively, with imports at 2.1 MMT and 700,000 MT.

## **Executive Summary:**

### MY 2021/22

Post forecasts MY 2021/22 wheat production at 1.2 MMT and barley production at 650,000 MT.

- Favorable weather conditions from October to December 2020 encouraged farmers to seed larger areas. Tunisia's MY 2021/22 seeded area for wheat increased compared to MY 2020/21 from 556,000 HA to 607,000 HA, of which 542,000 HA is durum wheat and 65,000 HA is common wheat. The seeded area for barley is 510,000 HA, down from 518,000 HA last year. Irrigated area of wheat and barley slightly decreased from 74,000 HA to 73,000 HA.
- Although rainfall was not adequate in early 2021, temperatures were moderate and crops did not suffer from heat stress. As a result, Post expects Tunisia's wheat and barley production will fall above average.
- Wheat yields remain dependent on April rainfall, which plays a strong role in the variability of Tunisian yields.

Tunisia's wheat consumption in MY 2021/22 is forecast at 3.2 MMT, reflecting average population growth of 2 percent. Barley consumption in MY 2021/22 is forecast at 1.31 MMT, reflecting same trend average growth.

Post forecasts Tunisia's wheat imports in MY 2021/22 at 2.1 MMT and barley imports at 700,000 MT reflecting consumption estimates and stable stock levels.

### MY 2020/21

Post adjusts the MY 2020/21 balance sheet to reflect official harvested area and production for wheat and barley. Post also maintains the MY 2020/21 estimate for wheat and barley imports at 2 MMT and 800,000 MT reflecting stable stocks and stagnant domestic consumption due to the COVID-related consumption growth cap.

Vegetative growth has brought sufficient opportunities for grazing. Additionally, livestock feeding stagnated in 2020/21 in response to COVID-related issues. As a result, Post decreases barley total consumption to 1.28 MMT.

### MY 2019/20

No changes made to 2019/20 numbers.

## Commodities:

Wheat

Barley

Area

According to the Ministry of Agriculture<sup>1</sup>, Tunisia's MY 2021/22 seeded area for wheat increased to 607,000 HA from 556,00 HA in MY 2020/21, of which 542,000 HA is durum wheat and 65,000 HA is common wheat. The seeded area for barley is 510,000 HA, down from 518,000 HA last year. Irrigated area of wheat and barley decreased from 74,000 HA to 73,000 HA.

*Tunisia: Wheat and Barley Area by Year*

	MY 16/17	MY 17/18	MY 18/19	MY 19/20	MY 20/21	MY 21/22
<b>Wheat, Seeded</b>	<b>647</b>	<b>724</b>	<b>612</b>	<b>700</b>	<b>556</b>	<b>607</b>
- Durum	536	617	530	614	495	542
- Common	111	107	82	86	61	65
<b>Barley, Seeded</b>	<b>534</b>	<b>666</b>	<b>522</b>	<b>617</b>	<b>518</b>	<b>510</b>
<b>Wheat and Barley, Seeded</b>	<b>1,181</b>	<b>1,390</b>	<b>1,134</b>	<b>1,317</b>	<b>1,074</b>	<b>1,117</b>
<b>Wheat, Harvested</b>	<b>550</b>	<b>579</b>	<b>536</b>	<b>596</b>	<b>490</b>	<b>540</b>
- Durum	451	494	464	518	435	476
- Common	99	85	72	78	55	64
<b>Barley, Harvested</b>	<b>380</b>	<b>393</b>	<b>314</b>	<b>471</b>	<b>413</b>	<b>367</b>
<b>Wheat and Barley, Harvested</b>	<b>930</b>	<b>972</b>	<b>850</b>	<b>1,067</b>	<b>903</b>	<b>907</b>

Source: Tunisian Ministry of Agriculture; \*FAS/Tunis forecast MY 21/22 harvested area

## Production

Post forecasts MY 2021/22 wheat production at 1.2 MMT and barley production at 700,000 MT. Due to favorable weather conditions (rainfall /good soil moisture), planting was done by early December. (Planting normally runs mid-October to mid-December). The wheat and barley crops have received sufficient rainfall to date and were accompanied by moderate temperatures thus avoiding heat stress. As a result, the crops appear to be around average condition at present with average vegetation growth. There are no significant pest or disease issues, however fertilizer shortages have curbed growth. Some analysts believe that production could increase by as much as 20 to 30 percent compared to last year, especially if the crops receive good rainfall in April. Seed availability was reported as normal.

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<sup>1</sup> Tunisia's official production estimates are reported by the Agricultural Production Directorate, which is under the supervision of the Ministry of Agriculture. In general, Tunisian production estimates are performed by the Ministry of Agriculture through an annual survey and in collaboration with the National Remote Sensing Center, which provides estimates based on satellite imagery.

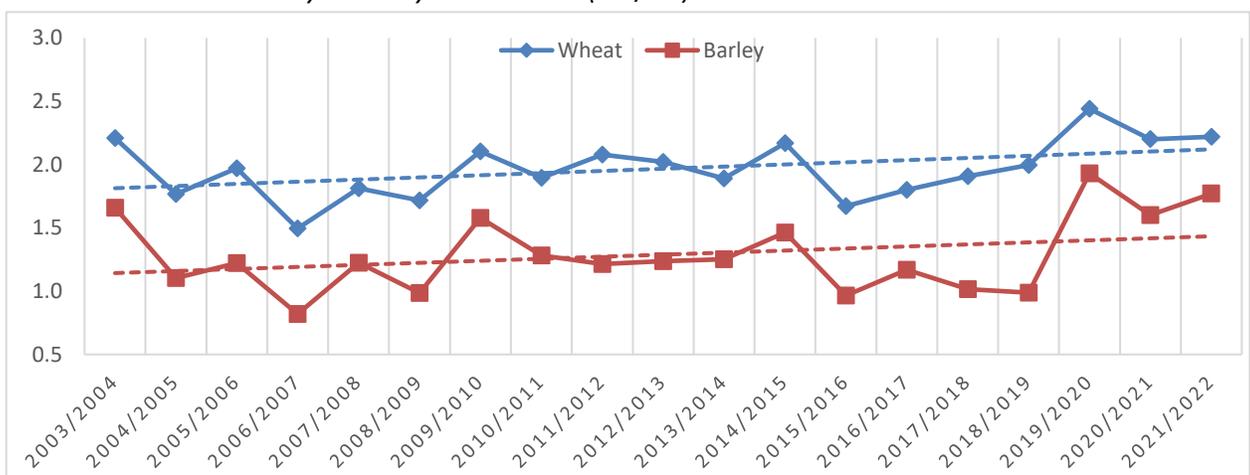
Following official Tunisian estimates, Post slightly revised production downward in MY 2020/21 from 1.07 MMT to 1.04 MMT for wheat and significantly downward from 664,000 MT to 465,000 MT for barley following a worse than expected harvest.

Tunisia: Wheat and Barley Production by Year

	MY 16/17	MY 17/18	MY 18/19	MY 19/20	MY 20/21	MY 21/22
<b>Wheat</b>	<b>990</b>	<b>1,104</b>	<b>1,070</b>	<b>1,454</b>	<b>1,043</b>	<b>1,200</b>
- Durum	840	929	960	1,267	959	1,091
- Common	150	175	110	187	84	109
<b>Barley</b>	<b>390</b>	<b>399</b>	<b>310</b>	<b>912</b>	<b>465</b>	<b>650</b>

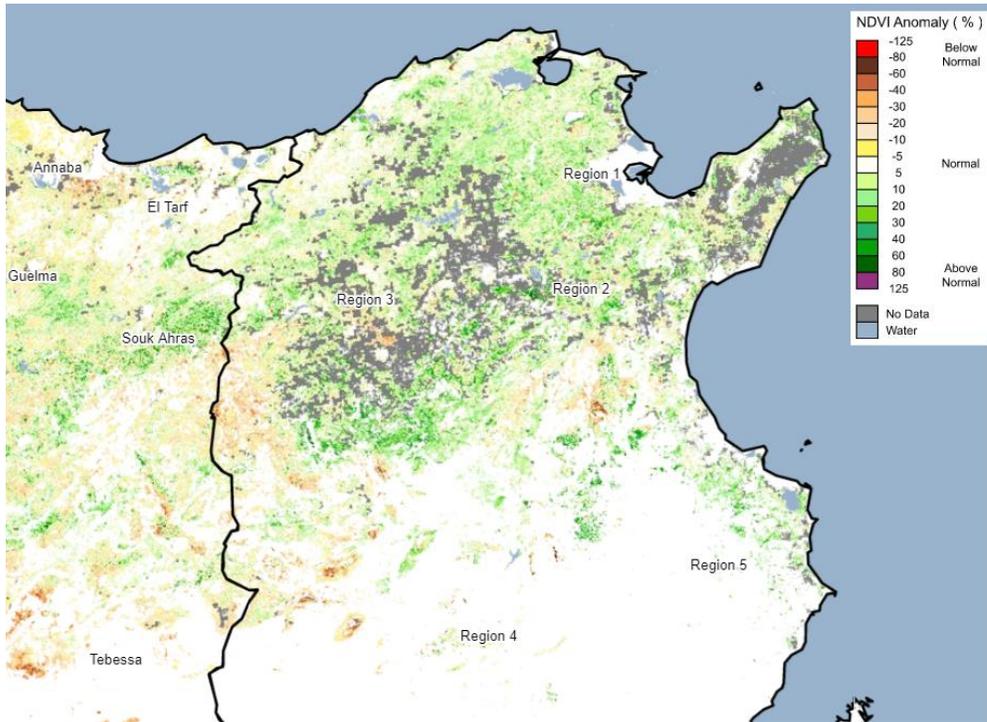
Source: Tunisian Ministry of Agriculture; FAS/Tunis forecast (MY 21/22)

Tunisia: Wheat and Barley Yields by Market Year (MT/HA)

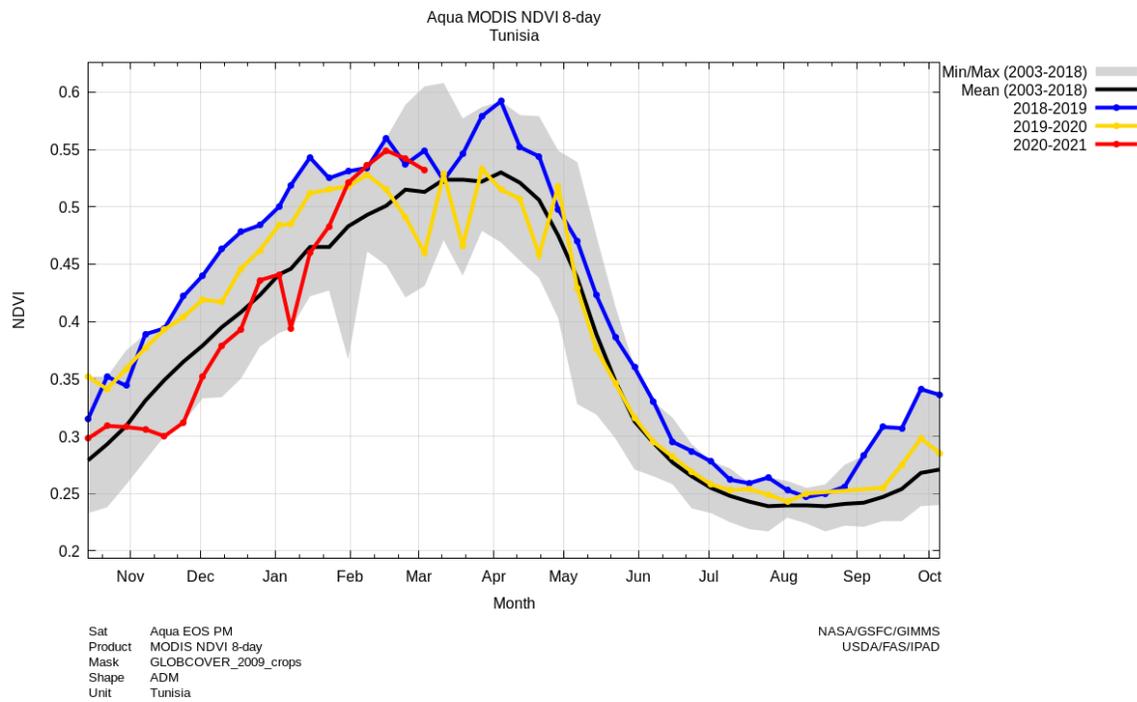


Source: Official USDA estimates; FAS/Tunis forecast (MY 20/21)

Tunisia: Aqua MODIS NDVI Anomaly, 02/26/2021-03/05/2021



Tunisia: Aqua MODIS NDVI, Times Series October-September



## ***Policy***

Tunisia's domestic support policies remain unchanged from MY 2020/21. To achieve the government's cereal self-sufficiency goal of 2.9 MMT per year on average, (including 1.7 MMT durum wheat), state-sponsored programs include:

- Guaranteed farm-gate prices:
  - 620 TD/MT for durum wheat (\$225/MT)
  - 470 TD/MT for common wheat (\$170/MT)
  - 400 TD/MT for barley (\$145/MT)
- Subsidized certified seeds
- A 50 percent subsidy of agricultural machinery costs and 40-50 percent of irrigation equipment costs
- An irrigation water subsidy of \$0.07/m<sup>3</sup> (32 percent of the cost) to encourage increasing irrigated wheat area to 120,000 HA
- Technical assistance to irrigated wheat farmers to increase yields.

Tunisia's Office des Cereales (Cereal Board) formally maintains a monopoly on the inventory, purchase, and sale of wheat and barley for the domestic market. However, collection of local production has been privatized for both crops. Collection by the Cereal Board currently accounts for 40-60 percent of wheat production and 10-40 percent of barley production.

## **Consumption**

### Wheat

Post expects total domestic consumption to rise with population growth. Therefore, Post estimates 2021/22 consumption at 3.2 MMT, or 268 kg on a per capita basis, based on a population of 11.93 million.

Post revises ending stock estimates from 849,000 MT to 814,000 MT in MY 2020/21 to reflect a lower production estimate.

*Policy:* Tunisia plans to reform its subsidy system, which continues to press the state budget and does not target the needy segment of population. However, reforms have been continuously postponed and Tunisia has made no changes in its subsidized flour and bread prices.

### Barley

Tunisian barley consumption in MY 2021/22 is forecast at 1.31 MMT, reflecting an average growth trend of a roughly 2 percent. Barley is consumed mainly in feedlots and as supplemental feed, especially when rangelands are stressed.

## Trade

### Wheat

Post expects imports to reach 2.1 MMT in MY 2021/22 while maintaining the MY 2020/21 estimate at 2 MMT to reflect stagnant consumption in MY 2020/21 due to COVID and slightly growing consumption on a year-to-year basis in MY 2021/22.

#### ***Tunisia: Wheat Imports (1,000 MT)***

	<b>MY 16/17</b>	<b>MY 17/18</b>	<b>MY 18/19</b>	<b>MY 19/20</b>	<b>Jul 19 - Jan 20</b>	<b>Jul 20 - Jan 21</b>
<b>Wheat</b>	<b>2,090</b>	<b>2,021</b>	<b>1,922</b>	<b>2,102</b>	<b>1,075</b>	<b>1,146</b>
- <i>Durum</i>	876	741	685	641	136	292
- <i>Common</i>	1,214	1,280	1,237	1,461	939	854

Source: Tunisian National Institute of Statistics

Tunisia sources most of its imported wheat from Ukraine, Russia, and Italy, while to a lesser extent from Greece, Spain, and France.

*Policy:* Imports and exports of wheat and wheat products are controlled by the Cereal Board with limited exceptions. Cereal Board tenders for imported wheat are destined for domestic use. Private millers may import wheat under a temporary admission regime, but are required to export the finished product after milling occurs in Tunisia. Exports of Tunisian wheat products require an export license.

### Barley

For MY 2021/22, barley imports are forecast to reach 700,000 MT to accommodate domestic consumption. For MY 2020/21, Post maintains its barley import estimate at 800,000 MT to reflect lower production coupled to lower consumption.

#### ***Tunisia: Barley Imports (1,000 MT)***

	<b>MY 16/17</b>	<b>MY 17/18</b>	<b>MY 18/19</b>	<b>MY 19/20</b>	<b>Jul 19 - Jan 20</b>	<b>Jul 20 - Jan 21</b>
<b>Barley</b>	603	615	724	664	239	534

Source: Tunisian National Institute of Statistics

## Tariff Table

<b>HS code</b>	<b>Description</b>	<b>Average of AV Duties</b>	<b>Exchange Rate NC/US\$</b>
<b>1001</b>	Wheat and meslin.	0	2.15
<b>1003</b>	Barley	36	2.15
<b>1101</b>	Wheat or meslin flour.	36	2.15
<b>190219</b>	Uncooked pasta, not stuffed or otherwise prepared, not containing eggs	36	2.15
<b>190230</b>	Pasta, cooked or otherwise prepared (excl. stuffed)	36	2.15
<b>190240</b>	Couscous, whether or not prepared	36	2.15

Source: World Trade Organization/Tariff Download Facility

## Production, Supply and Distribution (PSD) Statistics

Wheat Market Year Begins Tunisia	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Harvested</b> (1000 HA)	596	596	490	519	0	540
<b>Beginning Stocks</b> (1000 MT)	707	707	941	941	0	814
<b>Production</b> (1000 MT)	1454	1454	1078	1043	0	1200
<b>MY Imports</b> (1000 MT)	1950	1950	2000	2000	0	2100
<b>TY Imports</b> (1000 MT)	1950	1950	2000	2000	0	2100
<b>TY Imp. from U.S.</b> (1000 MT)	42	42	0	0	0	0
<b>Total Supply</b> (1000 MT)	<b>4111</b>	<b>4111</b>	<b>4019</b>	<b>3984</b>	<b>0</b>	<b>4114</b>
<b>MY Exports</b> (1000 MT)	20	20	20	20	0	20
<b>TY Exports</b> (1000 MT)	20	20	20	20	0	20
<b>Feed and Residual</b> (1000 MT)	100	100	100	100	0	100
<b>FSI Consumption</b> (1000 MT)	3050	3050	3050	3050	0	3100
<b>Total Consumption</b> (1000 MT)	3150	3150	3150	3150	0	3200
<b>Ending Stocks</b> (1000 MT)	941	941	849	814	0	894
<b>Total Distribution</b> (1000 MT)	<b>4111</b>	<b>4111</b>	<b>4019</b>	<b>3984</b>	<b>0</b>	<b>4114</b>
<b>Yield</b> (MT/HA)	2.4396	2.4396	2.2	2.0096	0	2.2222

(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 2021/2022 = July 2021 - June 2022

Barley Market Year Begins Tunisia	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Harvested</b> (1000 HA)	471	471	415	363	0	367
<b>Beginning Stocks</b> (1000 MT)	29	29	274	274	0	259
<b>Production</b> (1000 MT)	912	912	664	465	0	650
<b>MY Imports</b> (1000 MT)	613	613	800	800	0	700
<b>TY Imports</b> (1000 MT)	751	751	800	800	0	700
<b>TY Imp. from U.S.</b> (1000 MT)	0	0	0	0	0	0
<b>Total Supply</b> (1000 MT)	<b>1554</b>	<b>1554</b>	<b>1738</b>	<b>1539</b>	<b>0</b>	<b>1609</b>
<b>MY Exports</b> (1000 MT)	0	0	0	0	0	0
<b>TY Exports</b> (1000 MT)	0	0	0	0	0	0
<b>Feed and Residual</b> (1000 MT)	1200	1200	1400	1200	0	1230
<b>FSI Consumption</b> (1000 MT)	80	80	80	80	0	80
<b>Total Consumption</b> (1000 MT)	1280	1280	1480	1280	0	1310
<b>Ending Stocks</b> (1000 MT)	274	274	258	259	0	299
<b>Total Distribution</b> (1000 MT)	<b>1554</b>	<b>1554</b>	<b>1738</b>	<b>1539</b>	<b>0</b>	<b>1609</b>
<b>Yield</b> (MT/HA)	1.9363	1.9363	1.6	1.281	0	1.7711

(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 2021/2022 = October 2021 - September 2022

## Attachments:

No Attachments