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# GAIN Report

Global Agricultural Information Network

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## Tunisia

### Grain and Feed Annual

#### 2014 Grain and Feed Annual

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**Report Highlights:**

Tunisia's grain planted area in 2013 is estimated at about 1.47 million HA, 30 percent up from the previous year. Following good weather conditions throughout all of the country, total cereal production for MY 2014/15 is projected to reach 1.9 million MT, with wheat production preliminary estimated at 1.3 million MT and barley production estimated at 600,000 MT. Tunisian wheat imports in MY 2013/14 are expected to reach 1.87 million MT, an increase of 20% compared to wheat imports in MY 2012/13 with shipments from Russia, Ukraine, France and Italy accounting for the majority of Tunisia's wheat imports. Barley and corn imports will reach 600,000 MT and 840,000 MT respectively for MY 2013/14, with US exports absent in the market.

## **Executive Summary:**

The planted area for winter wheat and barley in 2013 is estimated at about 1.47 million HA, compared to 1.13 million HA planed in 2012. Most regions received sufficient and well distributed rainfalls in October, February and March, and crops are reported in very good condition. Post estimates that total cereal production for MY2014/2015 will be around 1.90 million MT with wheat production estimated at 1.30 million MT and barley production estimated at 600,000 MT. In MY2013/14, Tunisia's total cereal production was officially announced at 1.29 million MT. Tunisia's official estimates are usually a source of controversy and contested by farmers and agricultural experts.

Tunisia has one of the highest rates of per capita consumption for wheat in North Africa, estimated at 258 kg/year with total wheat consumption at around 2.8 million MT per year. Wheat consumption is expected to remain high for the next few years. Post estimates Tunisia's barley and corn consumption at about 850,000 tons per year for each product.

Tunisian wheat imports in MY 2013/14 are expected to reach 1.87 million MT, an increase of 20% compared to wheat imports in MY 2012/13. Shipments from Russia, Ukraine, France and Italy accounted for the majority of Tunisia's wheat imports. Tunisia's wheat imports from the United States that usually consist of durum wheat imported by private millers, were absent in 2013. Barley imports will reach approximately 600,000 MT in MY 2013/14, up from 520,000 MT in MY 2012/13 with Russia and Argentina dominating the market. Tunisia's total corn imports in MY 2013/14 will be around 840,000 MT, which is 2.5 percent increase compared to the quantity imported in MY2012/13. U.S. corn exports to Tunisia were absent in 2013 due to more competitive prices offered by Tunisia's main exporters, Brazil, Argentina and the Black Sea countries.

The Government of Tunisia (GOT) continues to implement its strategy to boost cereal production that started in 2008. In 2013, GOT revised farm-gate prices for wheat and barley according to international prices and local conditions. Through its cereals office, the government continues to control wheat imports by issuing tenders to international traders with import criteria based mostly on price considerations

**Commodities:**

Wheat

Barley

Select

**Production:**

Area planted with winter wheat and barley in Tunisia in 2013 is estimated at about 1.47 million hectare (HA), of which 91,000 HA are irrigated. This represents a significant increase compared to 1.13 million HA planted in 2012, and was mostly due to the continuation of production incentives provided by the government to cereals farmers. Wheat planted area was estimated at 810,000 HA, of which 676,000 HA of durum wheat and 134,000 HA of soft wheat, while area planted to barley was estimated at 648,000 HA and triticale at 13,000 HA. The seeding of the new crop was behind schedule for certain regions, as farmers usually delayed sowing their fields in anticipation of rainfall. There was sufficient and well distributed precipitation until October and from the second half of February through mid-March that should have a beneficial effect on the crop. Yields are therefore expected to be higher than those reported last year. Harvest is expected to begin in June.

The new wheat and barley crops are reportedly in very good condition after abundant and well distributed precipitation. Some analysts believe that production could double compared to last year. There are, however, some concerns about possible plant disease outbreaks in a few grain planted areas due to excess moisture and the expected increase in temperature by early April.

For the PS&D tables, Post's preliminary estimate for total cereal production for MY2014/2015 season is around 1.9 million MT, with wheat production projected at about 1.3 million MT and barley production estimated at 600,000 MT. Post estimates durum wheat will account for about 80 percent of total wheat production, while soft wheat will account for the remainder.

In MY2013/14, Tunisia's total cereal production was officially announced at 1.29 million MT, decreasing by 43% comparatively to MY2011/12. The decrease was mostly due to insufficient rainfall and bad weather conditions throughout Tunisia during the various stages of crop development. According to the Ministry of Agriculture, the national average yield for the MY2013/14 crop was about 1.70 MT/HA. In the last 5 years, cereal yield was officially estimated at about 1.73 MT/HA. However, according to private sector analysts the national average yield was much lower than these figures and fluctuated sharply between 0.8 MT/HA and 1.7 MT/HA depending on rainfall conditions.

The table below shows area planted and production of wheat and barley in the last five years.

| Year                                 | MY2009/10 | MY2010/11 | MY2011/12 | MY2012/13 | MY2013/14 |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Area Planted (1,000 Hectares)</b> |           |           |           |           |           |
| Durum Wheat                          | 679       | 596       | 678       | 708       | 548       |
| Soft Wheat                           | 124       | 118       | 129       | 149       | 117       |
| Total Wheat                          | 803       | 714       | 807       | 857       | 665       |
| Barley                               | 588       | 520       | 658       | 661       | 481       |
| Total Planted                        | 1391      | 1234      | 1465      | 1518      | 1146      |
| Total Harvested                      | 1338      | 629       | 1347      | 1333      | 760       |
| <b>Production (1,000 MT)</b>         |           |           |           |           |           |
| Durum Wheat                          | 1,353     | 670,7     | 1,320     | 1,200     | 790       |

|                     |       |       |       |       |      |
|---------------------|-------|-------|-------|-------|------|
| Soft Wheat          | 300   | 151,2 | 280   | 300   | 180  |
| Total. Wheat        | 1,653 | 821,9 | 1,600 | 1,55  | 970  |
| Barley (+triticale) | 879   | 257,7 | 710   | 650   | 320  |
| Total Production    | 2,532 | 1,079 | 2,310 | 2.200 | 1290 |

Source: Tunisian Ministry of Agriculture

It is important to note that the only reliable data on actual cereal production estimates are those collected by the state run Cereals Office. In general, production estimates in Tunisia are usually made by the Ministry of Agriculture through an annual inquiry, and there are no other sources to verify the information or check for accuracy. Depending on the size of the crop in a given year, the quantity collected by the Office of Cereals accounts for 30 to 60 percent of total production. After the revolution, the Tunisian Farmers' Union publicly contested the Ministry of Agriculture's figures of the quantity collected, arguing that the difference between the quantity collected and the quantity produced is not as large as the Ministry claims each year.

Post estimates for Tunisia's grain production during the past ten years have been considerably different from the Tunisian government's official estimates. Post estimates are based on available information about seeded areas, accumulated precipitation, and the pace of rainfall across the country, independent analysts' assessment of crop growing conditions combined with historical statistical data of grain production in Tunisia.

### **Consumption:**

Tunisia has one of the highest rates of per capita wheat consumption in North Africa, estimated at 258 kg/year. Additional demand for wheat is usually driven by over one million visitors coming each year from Algeria and Libya that have similar consumption patterns of wheat-based food products. In the last two years, due to the lack of security following the Tunisian revolution, the number of tourists visiting Tunisia declined and this resulted in a significant drop of food consumption by the tourism sector. In addition, there was a significant increase in re-exports of semolina and wheat flour to Libya, as well as some smuggling activities. Tunisia's annual wheat consumption is about 2.7 to 2.8 million MT, and wheat consumption is expected to remain high over the next few years.

Barley is consumed mainly as cattle feed in Tunisia and as a supplement feed especially during shortages of good pasture land and forage crops, while corn is usually incorporated into ruminant feed and used as an ingredient in compound feed for poultry. Post estimates Tunisia's barley and corn consumption at about 850,000 tons per year for each product.

### **Trade:**

#### **Wheat**

It is important to note that trade data are published in Tunisia by Tunisian Ministry of Agriculture and by Tunisian National Statistics Institute exclusively in a calendar year basis. However post trade data are presented in marketing year for the purpose of the report. For MY2013/14, Tunisian wheat imports are expected at 1.87 million MT, an increase of 20% compared to wheat imports in MY 2012/13. Shipments from Russia and Ukraine accounted for the majority of the wheat imported while South American countries and European Union (EU) countries such as France, Spain and Italy accounted for the rest. Tunisia's wheat imports from the United States, primarily durum wheat imported by private millers, were absent in 2013. In the coming year, the U.S. market share for wheat is not expected to grow significantly unless the current wheat purchasing policy undergoes major liberalization.

The table below shows Tunisia imports of common (soft) and durum wheat in the last four Marketing years:

### Tunisian Wheat Imports (1000 MT)

|              | <b>MY2010/11</b> | <b>MY2011/12</b> | <b>MY2012/13</b> | <b>MY2013/14*</b> |
|--------------|------------------|------------------|------------------|-------------------|
| Durum Wheat  | <b>726</b>       | <b>601</b>       | <b>533</b>       | <b>650</b>        |
| Soft Wheat   | <b>981</b>       | <b>1022</b>      | <b>1032</b>      | <b>1220</b>       |
| <b>Total</b> | <b>1707</b>      | <b>1623</b>      | <b>1565</b>      | <b>1870</b>       |

Source: Ag Tunis

In the last few years, the state monopoly 'Office des Cereales' purchasing policy has been more price-oriented with less emphasis given to the quality attributes of imported wheat. Private sector millers have often complained about the low milling quality of some imported shipments that have been forced on them by the Cereals Office. At present, private operators can import wheat directly but only if they re-export their final products and do not sell the products in the Tunisian market. Some private millers could expand imports from the US in the next coming years.

For MY 2014/15, imports are forecast to be less important than in MY 2013/14 and are projected to be around 1.5 million MT. This would likely be due to an important wheat crop projected this year, about 40 to 50 percent more than the production in the previous year. The bulk of wheat imports consist of soft wheat, a commodity of which Tunisia has a structural deficit regardless of the size of the local crop.

### Barley

For MY2013/14 total barley imports are estimated around 600,000 MT, up from 520,000 MT in MY 2012/13 with Russia and Argentina dominating the market share. It is worth mentioning that U.S. barley exports continued their absence in 2013, while they have made a notable return to the Tunisian market in 2010 with shipments totaling 60,000 MT. For MY 2014/15, Post estimates that Tunisia's barley imports will decrease to 300,000 MT due to the large domestic production

### Tunisian Barely Imports (1000 MT)

|        | <b>MY2010/11</b> | <b>MY2011/12</b> | <b>MY2012/13</b> | <b>MY2013/14</b> |
|--------|------------------|------------------|------------------|------------------|
| Barely | <b>539</b>       | <b>287</b>       | <b>520</b>       | <b>600</b>       |

Source: Ag Tunis

### Corn

Tunisia's total corn imports in MY 2013/14 will reach 840,000 MT, 2.5 percent increase compared to the quantity imported in MY2012/13 (820,000 MT). U.S. corn exports to Tunisia were absent in 2013. This was mostly due to more competitive prices offered by Tunisia's main exporters, Brazil, Argentina and the Black Sea countries. As a result, the U.S. share of the Tunisian corn market becomes insignificant after having reached 25 percent in 2010. For MY 2014/15, Tunisia corn imports are projected to stabilize around 850,000 MT, according to private importers. The table below shows Tunisia corn imports in the last four years.

### Tunisian Corn Imports (1000 MT)

|      | <b>MY2010/11</b> | <b>MY2011/12</b> | <b>MY2012/13</b> | <b>MY2013/14</b> |
|------|------------------|------------------|------------------|------------------|
| Corn | <b>901</b>       | <b>817</b>       | <b>820</b>       | <b>840</b>       |

Source: Ag Tunis

## **Policy:**

### Production policy:

Tunisia continues to implement a five-year strategy to boost its cereal production that started in 2008. The government's goal is to reach a total cereal production of 2.7 million MT, which is considered necessary in order to achieve self-sufficiency in wheat consumption. To help reach this goal, the GOT implemented several measures that included:

-Increasing the total acreage dedicated to irrigated wheat from 80,000 HA to 120,000 HA, with a goal of producing 600,000 MT by 2012.

-Maintaining the farm-gate price policy for wheat and barley at a relatively high level to encourage local production. For MY2014/15, the Ministry of Agriculture decided to increase the price paid to farmers. New farm-gate prices for cereals harvested (effective through 2014, August 31) are set as follows:

- 650 TD/MT for durum wheat (\$429/MT)
- 480 TD/MT for soft wheat (\$333/MT)
- 460 TD/MT for Barley (\$296/MT)

-To increase farmers' use of certified seeds to 450,000 quintals. To continue price subsidies for certified varieties of cereal seeds at the following rate:

- 25.4 TD/MT for durum wheat (\$15.80/MT)
- 20.6 TD/MT for soft wheat (\$12.87/MT)
- 17.15 TD/MT for Barley (\$10.7/MT)

### 2. Trade policy:

The Government of Tunisia continues to control most grain imports by issuing tenders to international traders specifying the size and quality of import shipments. The "Office des Cereales" continues to monopolize the importation of wheat based mostly on price considerations. In 2008, the government liberalized the barley market and authorized private sector companies to import. There is some indication that the government may consider a partial liberalization of the wheat sector and allow the private sector to participate in wheat imports. It is not certain if and when this partial liberalization will take place.

**Production, Supply and Demand Data Statistics:**

**Production, Supply and Demand Data Statistics:**

| Wheat<br>Tunisia   | 2012/2013                      |             | 2013/2014                      |             | 2014/2015                      |             |
|--------------------|--------------------------------|-------------|--------------------------------|-------------|--------------------------------|-------------|
| 1000MT             | Market Year Begin:<br>Jul 2012 |             | Market Year Begin:<br>Jul 2013 |             | Market Year Begin:<br>Jul 2014 |             |
|                    | USDA<br>Official               | New<br>Post | USDA<br>Official               | New<br>Post | USDA<br>Official               | New<br>Post |
| Area Harvested     | 752                            | 752         | 620                            | 516         |                                | 730         |
| Beginning Stocks   | 534                            | 534         | 406                            | 499         |                                | 364         |
| Production         | 1,350                          | 1,350       | 1,100                          | 970         |                                | 1,300       |
| MY Imports         | 1,497                          | 1,565       | 1,850                          | 1,870       |                                | 1,500       |
| TY Imports         | 1,497                          | 1,565       | 1,850                          | 1,870       |                                | 1,500       |
| TY Imp. from U.S.  | 10                             | 20          | 0                              | 0           |                                | 20          |
| Total Supply       | 3,381                          | 3,449       | 3,356                          | 3,339       |                                | 3,164       |
| MY Exports         | 150                            | 150         | 150                            | 150         |                                | 0           |
| TY Exports         | 150                            | 150         | 150                            | 150         |                                | 0           |
| Feed and Residual  | 25                             | 0           | 25                             | 0           |                                | 0           |
| FSI Consumption    | 2,800                          | 2,800       | 2,825                          | 2,825       |                                | 2,825       |
| Total Consumption  | 2,825                          | 2,800       | 2,850                          | 2,825       |                                | 2,825       |
| Ending Stocks      | 406                            | 499         | 356                            | 364         |                                | 339         |
| Total Distribution | 3,381                          | 3,449       | 3,356                          | 3,339       |                                | 3,164       |
| Yield              | 2.                             | 1.7952      | 2.                             | 1.8798      |                                | 1.7808      |
| TS=TD              |                                | 0           |                                | 0           |                                | 0           |
| Comments           |                                |             |                                |             |                                |             |
| AGR Number         |                                |             |                                |             |                                |             |
| Comments To Post   |                                |             |                                |             |                                |             |

| Barley<br>Tunisia | 2012/2013                      |             | 2013/2014                      |             | 2014/2015                      |             |
|-------------------|--------------------------------|-------------|--------------------------------|-------------|--------------------------------|-------------|
| 1000mt            | Market Year<br>Begin: Jul 2012 |             | Market Year<br>Begin: Jul 2013 |             | Market Year<br>Begin: Jul 2014 |             |
|                   | USDA<br>Official               | New<br>Post | USDA<br>Official               | New<br>Post | USDA<br>Official               | New<br>Post |
|                   |                                |             |                                |             |                                |             |

|                    |       |       |       |        |  |        |
|--------------------|-------|-------|-------|--------|--|--------|
| Area Harvested     | 522   | 320   | 370   | 244    |  | 580    |
| Beginning Stocks   | 193   | 193   | 290   | 263    |  | 283    |
| Production         | 450   | 400   | 375   | 320    |  | 600    |
| MY Imports         | 547   | 520   | 600   | 600    |  | 300    |
| TY Imports         | 764   | 520   | 500   | 600    |  | 300    |
| TY Imp. from U.S.  | 0     | 0     | 0     | 0      |  | 0      |
| Total Supply       | 1,190 | 1,113 | 1,265 | 1,183  |  | 1,183  |
| MY Exports         | 0     | 0     | 0     | 0      |  | 0      |
| TY Exports         | 0     | 0     | 0     | 0      |  | 0      |
| Feed and Residual  | 850   | 800   | 850   | 850    |  | 850    |
| FSI Consumption    | 50    | 50    | 50    | 50     |  | 50     |
| Total Consumption  | 900   | 850   | 900   | 900    |  | 900    |
| Ending Stocks      | 290   | 263   | 365   | 283    |  | 283    |
| Total Distribution | 1,190 | 1,113 | 1,265 | 1,183  |  | 1,183  |
| Yield              | 1.    | 1.25  | 1.    | 1.3115 |  | 1.0345 |
| TS=TD              |       | 0     |       | 0      |  | 0      |
| Comments           |       |       |       |        |  |        |
| AGR Number         |       |       |       |        |  |        |

Comments To Post