

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Tunisia

Grain and Feed Annual

Bumper Crop within Reach

Approved By:

Morgan Haas

Prepared By:

FAS/Tunis

Report Highlights:

Wheat and barley crops have developed well after a very good start. Post forecasts MY 2019/20 wheat and barley production at 1.3 MMT and 600,000 MT, respectively, with imports at 1.75 MMT and 380,000 MT.

Executive Summary:

MY 2019/20

Post forecasts MY 2019/20 wheat production at 1.3 MMT and barley production at 600,000 MT

- Very favorable weather conditions from October to December encouraged farmers to seed earlier and larger areas. Tunisia's MY 2019/20 seeded area for wheat increased compared to MY 2018/19 from 612,000 HA to 700,000 HA, of which 614,000 HA is durum wheat and 86,000 HA is common wheat. The seeded area for barley is 617,000 HA, up from 522,000 HA last year. Irrigated area of wheat and barley increased from 67,000 HA to 71,000 HA.
- Beneficial rainfall was recorded in late March. As a result, Post's outlook of Tunisia's wheat and barley is confirmed favorable.
- Adequate rainfall will still be needed in April as this period has the most influence in determining Tunisia's resulting yield.

Tunisia's wheat consumption in MY 2019/20 is forecast at 3.02 million MT, reflecting trend average growth of roughly one percent. Beyond average vegetative growth for grazing will reduce barley consumption forecasted at 965,000 MT in MY 2019/20.

To cover demand while maintaining stock levels, Post forecasts Tunisia's wheat imports in MY 2019/20 at 1.75 MMT while barley imports are forecast at 380,000 MT.

MY 2018/19

Post adjusts the MY 2018/19 balance sheet to reflect official harvested area and production for wheat and barley. Post also increases the MY 2018/19 estimate for wheat imports to 1.9 MMT to meet a slightly growing domestic consumption while maintaining stocks at the usual level; and barley to 700,000 MT in order to accommodate final production figures and reflect trade-to-date.

Post revised up wheat and barley ending stocks to 734,000 MT and to 82,000 MT respectively to maintain a stable stocks-to-use ratio corresponding to at least 1 month of consumption for barley and around 3 months consumption for wheat.

MY 2017/18

In MY 2018/19, Post revised up barley ending stocks to 82,000 MT based on final Tunisian numbers.

Commodities:

Wheat
Barley

Area

According to the Ministry of Agriculture¹, Tunisia's MY 2019/20 seeded area for wheat increased compared to MY 2018/19 from 612,000 HA to 700,000 HA, of which 614,000 HA is durum wheat and 86,000 HA is common wheat. The seeded area for barley is 617,000 HA, up from 522,000 HA last year. Irrigated area of wheat and barley increased from 67,000 HA to 71,000 HA.

Tunisia: Wheat and Barley Area by Year

	MY 14/15	MY 15/16	MY 16/17	MY 17/18	MY 18/19	MY 19/20
	Planted Area (1,000 HA)					
Wheat, Planted	721	650	647	724	612	700
- Durum	596	540	536	617	530	614
- Common	125	110	111	107	82	86
Barley, Planted	542	526	534	666	522	617
Wheat and Barley, Planted	1,263	1,176	1,181	1,390	1,134	1,317
	Harvested Area (1,000 HA)					
Wheat, Harvested	696	546	550	579	536	620
- Durum	576	453	451	494	464	537
- Common	120	93	99	85	72	83
Barley, Harvested	540	379	380	393	314	400
Wheat and Barley, Harvested	1,236	925	930	972	850	1,020

Source: Tunisian Ministry of Agriculture; *FAS/Tunis forecast harvested area

Production

Post forecasts MY 2019/20 wheat production at 1.3 MMT and barley production at 600,000 MT. Thanks to very favorable weather conditions the seeding season, which usually starts mid-October to mid-December, finished earlier this year in late-November. Indeed, exceptional rainfall and high soil moisture encouraged farmers for early and larger seeding as shown in the table above. The wheat and barley crops have received adequate quantities rainfall to date. As a result, the crops appear to be in overall good condition at present with good vegetation growth and no significant pest or disease issues. Some analysts believe that the production could increase by as much as 30 to 50 percent compared to

¹ Tunisia's official production estimates are reported by the state-run "Office des Cereales" (Cereal Board), 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.

last year, especially if the crops receive sufficient rainfall in April. Availability of seeds and fertilizers was reported as normal during seeding.

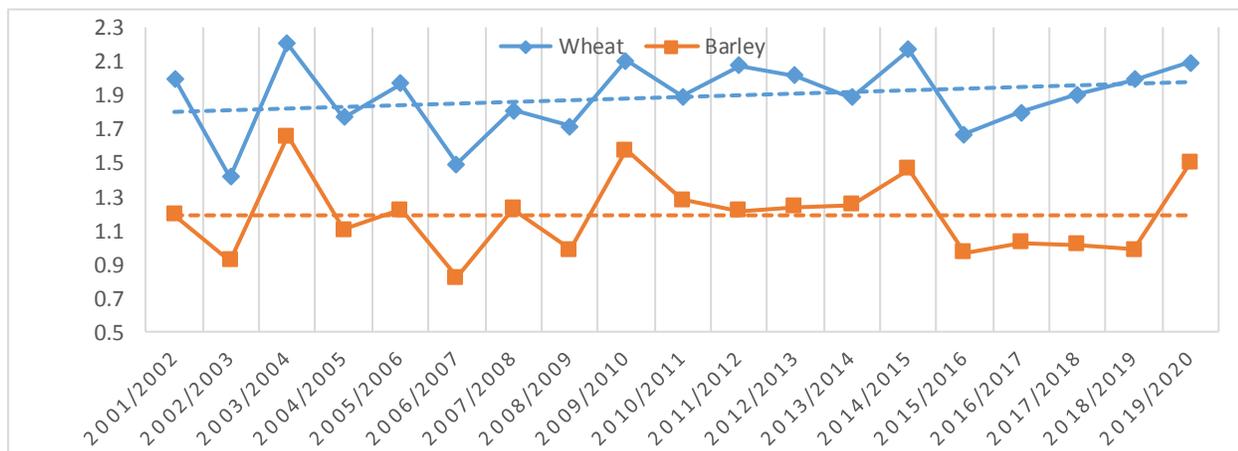
Following official Tunisian estimates, Post slightly revised production downward in MY 2018/19 from 1.075 MMT to 1.070 MMT for wheat and from 316,000 MT to 310,000 MT for barley.

Tunisia: Wheat and Barley Production by Year

	MY 14/15	MY 15/16	MY 16/17	MY 17/18	MY 18/19	MY 19/20
	Production (1000 MT)					
Wheat	1,510	912	990	1,104	1,070	1,300
- Durum	1,230	756	840	929	960	1,125
- Common	280	156	150	175	110	175
Barley	790	366	390	399	310	600

Source: Tunisian Ministry of Agriculture; FAS/Tunis forecast production

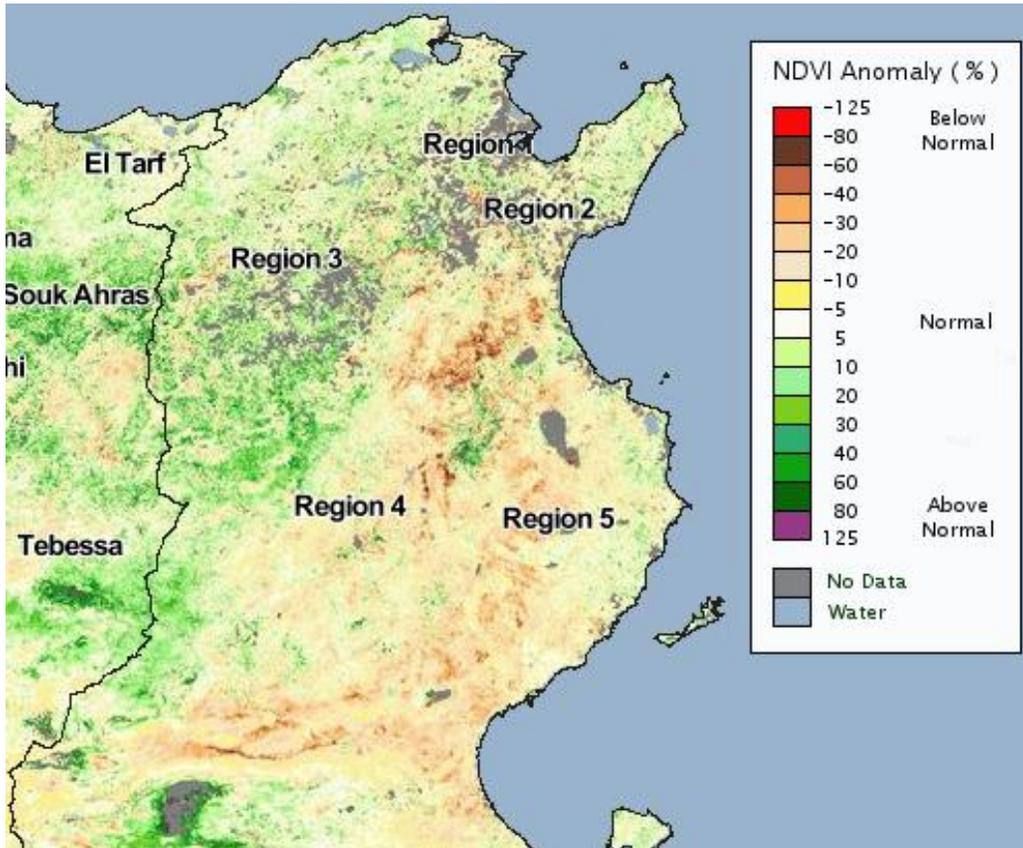
Tunisia: Wheat and Barley Yields by Year (MT/HA)



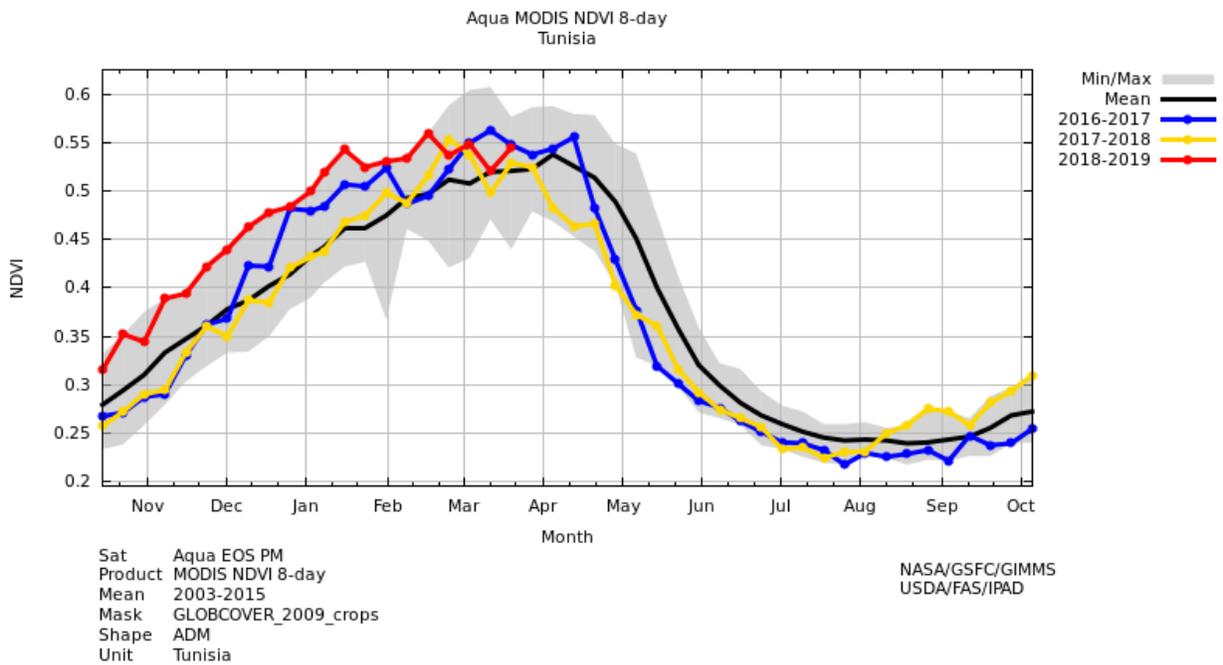
Source: Official US DA estimates; *FAS/Tunis estimate and

forecast

Tunisia: MODIS NDVI, October 2018-March 2019



Tunisia: MODIS NDVI, October 2018-March 2019



Policy: Tunisia's domestic support policies remain unchanged from MY 2018/19. To achieve the government's self-sufficiency goal of reaching average annual production of 2.7 MMT for cereals, of which 1.5 MMT is durum wheat, state-sponsored programs include:

- Guaranteeing farm-gate prices:
 - 750 TD/MT for durum wheat (\$250/MT)
 - 540 TD/MT for common wheat (\$180/MT)
 - 480 TD/MT for barley (\$160/MT)
- Subsidizing certified seeds
- Subsidizing 50 percent of agricultural machinery costs and 40-50 percent of irrigation equipment costs
- Subsidizing irrigation water \$0.07/m³ (32 percent of the cost) to encourage increasing irrigated wheat area to 120,000 HA
- Providing technical assistance to irrigated wheat farmers to increase yields.

Tunisia's Office des Cereales (Cereal Board) formally maintains its monopoly on the inventory 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 holds total domestic consumption steady on a per capita basis at 259 kg in MY 2019/20, based on a population of 11.65 million, at around 3.02 MMT.

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

Barley

Above average vegetative growth for grazing in MY 2019/20 will reduce barley consumption forecasted 45,000 MT lower than MY 2018/19. Barley is consumed mainly in feedlots and as supplemental feed, especially when rangelands are stressed.

Stocks

Wheat

Post revises "Ending Stocks" estimates from 664,000 MT to 735,000 MT in MY 2018/19 to balance the PSD table with final production number.

Barley

Based on final official Tunisian numbers, Post revised up ending stocks in MY 2017/2018 to 82,000 MT.

Trade

Wheat

Post forecasts imports to reach 1.75 MMT in MY 2019/20 while increasing the MY 2018/19 estimate to 1.9 MMT to reflect a slightly growing consumption on a year-to-year basis.

Tunisia: Wheat Imports (1,000 MT)

	MY 14/15	MY 15/16	MY 16/17	MY 17/18	Jul 17 - Feb 18	Jul 18 - Feb 19
Wheat	1,640	2,098	2,090	2,021	1,199	1,346
- Durum	597	877	876	741	396	441
- Common	1,043	1,221	1,214	1,280	803	905

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. The United States has not exported wheat to Tunisia since MY 2015/16, largely because the Cereal Boards' specifications for US origin wheat is stricter than for other origins.

Policy: Imports and exports of wheat and wheat products are generally controlled by the Cereal Board. The Cereal Board tenders for imported wheat destined for the domestic population. Private millers may import wheat under a temporary admission regime, requiring the finished good is exported. Exports of Tunisian wheat products require an export license.

Barley

For MY 2019/20, barley imports are forecast to reach 380,000 MT to accommodate decreased domestic consumption due to grazing availability. For MY 2018/19, Post increases its estimate of barley imports at 700,000 MT to compensate a lower production and replenish ending stocks

Tunisia: Barley Imports (1,000 MT)

	MY 14/15	MY 15/16	MY 16/17	MY 17/18	Jul 17 - Feb 18	Jul 18 - Feb 19
Barley	513	558	603	615	405	557

Source: Tunisian National Institute of Statistics

Tariff Table

HS code	Average of AV Duties (2016)	Average of AV Duties (2015)	Description
1001	36	0	Wheat and meslin.
1003	36	36	Barley
1101	36	36	Wheat or meslin flour.
190219	36	36	Uncooked pasta, not stuffed or otherwise prepared, not containing eggs
190230	36	36	Pasta, cooked or otherwise prepared (excl. stuffed)
190240	36	36	Couscous, whether or not prepared

Source: World Trade Organization

Production, Supply and Distribution (PSD) Statistics

Wheat Market Begin Year Tunisia	2017/2018		2018/2019		2019/2020	
	Jul 2017		Jul 2018		Jul 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	579	579	492	536	0	620
Beginning Stocks	742	742	784	784	0	734
Production	1104	1104	1075	1070	0	1300
MY Imports	1923	1923	1800	1900	0	1750
TY Imports	1923	1923	1800	1900	0	1750
Total Supply	3769	3769	3659	3754	0	3784
MY Exports	10	10	20	20	0	20
TY Exports	10	10	20	20	0	20
Feed and Residual	100	100	100	100	0	100
FSI Consumption	2875	2875	2875	2900	0	2920
Total Consumption	2975	2975	2975	3000	0	3020
Ending Stocks	784	784	664	734	0	744
Total Distribution	3769	3769	3659	3754	0	3784
Yield	1.9067	1.9067	2.185	1.9963	0	2.0968
(1000 HA) ,(1000 MT) ,(MT/HA)						

Barley Market Begin Year Tunisia	2017/2018		2018/2019		2019/2020	
	Jul 2017		Jul 2018		Jul 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	393	393	272	314	0	400
Beginning Stocks	117	117	40	82	0	82
Production	399	399	316	310	0	600
MY Imports	604	604	650	700	0	380
TY Imports	674	674	650	700	0	380
Total Supply	1120	1120	1006	1092	0	1062
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	1000	963	900	930	0	885
FSI Consumption	80	75	80	80	0	80
Total Consumption	1080	1038	980	1010	0	965
Ending Stocks	40	82	26	82	0	97
Total Distribution	1120	1120	1006	1092	0	1062
Yield	1.0153	1.0153	1.1618	0.9873	0	1.5
(1000 HA) ,(1000 MT) ,(MT/HA)						

