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Report Name: Grain and Feed Update

Country: Algeria

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Prepared By:

Approved By: Justina Torry

Report Highlights:

Algeria's MY2019/20 cereal harvest was good particularly for barley and exceeded 6 million MT. The Ministry of Agriculture stated that abundance of barley domestic production would lower barley imports.

Executive Summary

The Minister of Agriculture stated that the Algerian grain output exceeded the 6 million MT harvested last year. The Minister of Agriculture also indicated that Algeria's MY2019/20 cereal production is good, particularly for barley.

The abundance of barley will provide a comfortable supply for the domestic market lowering barley imports this year, according to the Minister of Agriculture. In addition, he stated that cereal production has strengthened again this year, which will allow the country to reduce the quantities usually imported including imports of bread (soft) wheat.

Bread (soft) wheat will have more area allocated for the next planting season to further increase production with the goal to reduce its imports.

Post maintains the figures for MY2018/19 and MY2019/20 for wheat and barley imports. Post forecasts wheat imports will fall to 6.5 MMT in MY2020/21. This is due to the strategy to import less durum and produce it locally by 2020 as well as the new emphasis on improving domestic production and controlling imports of all other cereals (bread wheat).

Post forecasts barley imports to fall to 100,000 MT in MY2020/21. Post maintains the figures for MY2018/19 and MY2019/20.

The Value-Added-Tax (VAT) exemption for raw materials and products destined for animal feed remains.

Feed grains, DDGs, starch residues and preparations for animal feed remain unaffected by the [temporary additional safeguard duty \(DAPs\)](#).

Crop Update

The Algerian state news agency (APS) reported that the Ministry of Agriculture indicated that the Algerian grain output exceeded the 6 million MT harvested last year. However, no breakdown figures were released yet.

The Minister stated in previous press releases that this year's (MY2019/20) cereal production was good for Algeria and the harvest was particularly good for barley, which recorded a great abundance, especially in the eastern part of the country. This abundance will provide a comfortable supply for the domestic market decreasing barley imports this year.

Regarding other cereals, the Minister mentioned that durum harvests have increased in recent years. Adding that production has strengthened further this year, which will allow Algeria to reduce imports.

Regarding soft (bread) wheat, the Minister explained that demand in the domestic market is "strong" given the high consumption of bread. He indicated that additional measures should be taken early in the

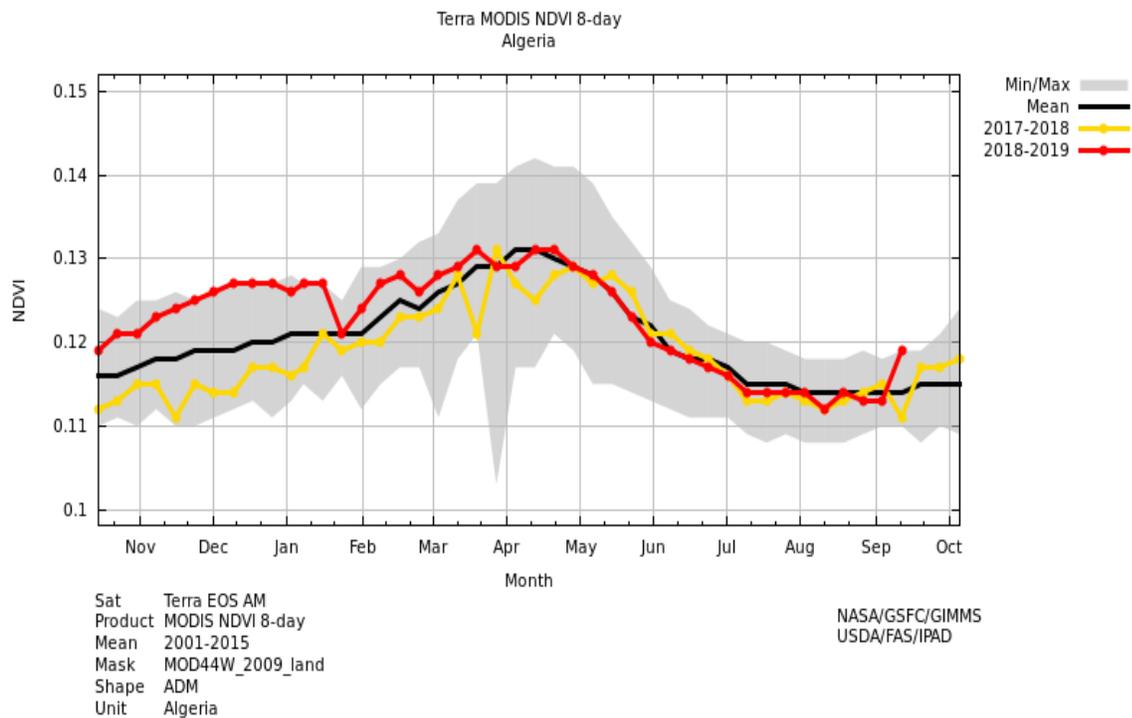
season to increase production of this bread (soft) wheat and reduce imports in accordance with the Government's policy to reduce imports and achieve food security.

According to the Normalized Difference Vegetation Index (NDVI) by Region, crop conditions were good. The vegetation index was normal for most of Algeria. In general, rainfall was good. Most of the grain production regions benefited from good precipitation, resulting in good soil moisture levels, which enabled crops to develop.

The chart shows also that conditions in September are better compared to last year. The month of September has been very rainy, which will allow the planting season to start under good conditions.

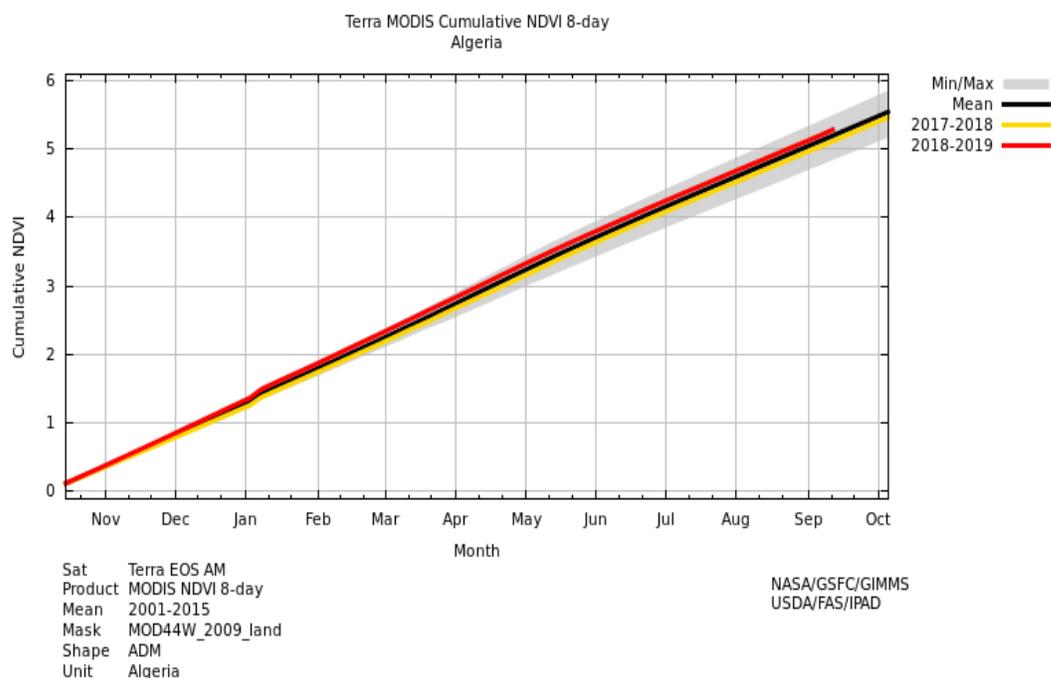
Figure: Algeria’s Normalized Difference Vegetation Index (NDVI) as of August 19, 2019.

[\(https://glam1.gsfc.nasa.gov/\)](https://glam1.gsfc.nasa.gov/).



Source: NASA/GSFC/GIMMS – USDA/FAS/OGA

Figure: Algeria’s Normalized Difference Vegetation Index (NDVI) Cumulative as of September 19, 2019.



Source: NASA/GSFC/GIMMS – USDA/FAS/OGA

Production Update

Since the Ministry of Agriculture has not released the production figures, Post maintains the wheat production forecast at 3.950 MMT and the barley production at 2.0 MMT for MY2019/20. Post maintains production figures for MY2018/19.

The Minister of Agriculture remains focused on the government’s strategy to increase the production of cereals to reduce imports and regulate the cereal sector efficiently. As mentioned above, for the next planting season, the Ministry of Agriculture will encourage increase of bread wheat plantings to reduce its imports. Previously, the Ministry of Agriculture has always allocated durum plantings the largest areas in the planting programs, followed by barley. Bread (soft) wheat has always had smaller areas for planting because of the climatic conditions. Algeria’s climate does not favor bread (soft) wheat production. This variety of wheat is very sensitive to dry conditions.

Trade Update

As reported previously, cereals have always accounted for an important part of the Algerian food import bill. According to Algerian Customs, cereal imports hit \$3.09 billion in calendar year (CY) 2018 and

represented 36.09 percent of total food imports. France remained Algeria's largest supplier of wheat (bread wheat) although; Algeria is seeking diversification of wheat suppliers.

As part of the government, policy to control spending, Ministry of Agriculture overall strategy is to reduce imports and slow import growth. Thus, Post maintains the figures for MY2018/19 and MY2019/20 for wheat and barley imports.

In response to the strategy to import less durum and produce it locally by 2020, and the new emphasis on improving domestic production to control grain imports, Post forecasts wheat imports will fall to 6.5 MMT in MY2020/21.

According to press reports, the Minister of Agriculture indicated that the barley harvest was particularly good that Algeria will not import this product this year (CY2019). Thus, Post forecasts barley imports to fall to 100,000 MT in MY2020/21. Post maintains the figures for MY2018/19 and MY2019/20. Algeria's barley imports are weather-driven—better weather results in higher local barley production and better pasture conditions, both of which decrease import demand.

Consumption Update

Wheat consumption will remain relatively stable with normal growth. The GoA decided not to give new agreements to new mills nor expand the old ones.

Barley Consumption is projected to remain relatively stable. As mentioned above, the Minister of Agriculture indicated that the abundance of barley provides adequate domestic supply.

Policy update

The Value-Added-Tax (VAT) exemption for raw materials and products destined for animal feed remains.

Feed grains, DDGs starch residues and preparations for animal feed (mentioned above) remain unaffected by the [temporary additional safeguard duty \(DAPs\)](#).

The detailed information on the temporary additional safeguard duty was reported in previous reports. Those reports can be found at:

https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Grain%20and%20Feed%20Update_Algeria_Algeria_6-26-2019.pdf

https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Trade%20Policy%20Update_Algeria_Algeria_2-12-2019.pdf

Wheat	2018/2019		2019/2020		2020/2021	
Market Begin Year	Jul 2018		Jul 2019		Jul 2020	
Algeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2074	2074	2100	2074	0	2074
Beginning Stocks	4529	4529	5219	5419	0	5754
Production	3940	3940	4000	3950	0	3950
MY Imports	7515	7515	7000	7000	0	6500
TY Imports	7515	7515	7000	7000	0	6500
TY Imp. from U.S.	437	119	0	119	0	119
Total Supply	15984	15984	16219	16369	0	16204
MY Exports	15	15	15	15	0	0
TY Exports	15	15	15	15	0	0
Feed and Residual	50	50	50	50	0	50
FSI Consumption	10700	10500	10800	10550	0	10600
Total Consumption	10750	10550	10850	10600	0	10650
Ending Stocks	5219	5419	5354	5754	0	5554
Total Distribution	15984	15984	16219	16369	0	16204
Yield	1.8997	1.8997	1.9048	1.9045	0	1.9045
(1000 HA) ,(1000 MT) ,(MT/HA)						

Barley	2018/2019		2019/2020		2020/2021	
Market Begin Year	Jul 2018		Jul 2019		Jul 2020	
Algeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1026	1026	1025	1026	0	1026
Beginning Stocks	517	517	817	817	0	967
Production	1950	1950	2050	2000	0	2000
MY Imports	350	250	100	100	0	100
TY Imports	350	250	100	100	0	100
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	2817	2717	2967	2917	0	3067
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	1650	1550	1700	1600	0	1650
FSI Consumption	350	350	350	350	0	350
Total Consumption	2000	1900	2050	1950	0	2000
Ending Stocks	817	817	917	967	0	1067
Total Distribution	2817	2717	2967	2917	0	3067
Yield	1.9006	1.9006	2	1.9493	0	1.9493
(1000 HA) ,(1000 MT) ,(MT/HA)						

Attachments:

No Attachments