

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Algeria

Grain and Feed Update

Wheat update

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Report Highlights:

U.S. wheat exports have increased through the first seven months of CY 2012. Algeria has suspended import duties and VAT on animal feed inputs and co-products, including corn, DDGS, and corn gluten feed (CGF) as well as soybean meal.

Post:
Algiers

Author Defined:
General Information

Production

Due to extreme heat during July and August, coupled with fires in agricultural production areas, the Ministry of Agriculture (MoA) has revised its preliminary total grain production forecast from the 5.6 million metric tons (MMT) it announced in June to 5.2 MMT. Thus far, MoA has not provided an official breakdown between soft (bread) and hard (durum) wheat production.

Wheat Algeria	2010/2011		2011/2012		2012/2013		
	Market Year Begin: Jul 2010		Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	2,012	2,012	2,000	2,000	2,000	2,000	(1000 HA)
Beginning Stocks	2,332	2,332	2,893	2,748	2,818	3,073	(1000 MT)
Production	2,900	2,900	2,800	2,800	3,500	3,400	(1000 MT)
MY Imports	6,436	6,291	6,100	6,500	5,200	5,200	(1000 MT)
TY Imports	6,436	6,291	6,100	6,500	5,200	5,200	(1000 MT)
TY Imp. from U.S.	115	80	0	80	0	80	(1000 MT)
Total Supply	11,668	11,523	11,793	12,048	11,518	11,673	(1000 MT)
MY Exports	25	25	25	25	25	25	(1000 MT)
TY Exports	25	25	25	25	25	25	(1000 MT)
Feed and Residual	50	50	50	50	50	50	(1000 MT)
FSI Consumption	8,700	8,700	8,900	8,900	9,000	9,050	(1000 MT)
Total Consumption	8,750	8,750	8,950	8,950	9,050	9,050	(1000 MT)
Ending Stocks	2,893	2,748	2,818	3,073	2,443	2,598	(1000 MT)
Total Distribution	11,668	11,523	11,793	12,048	11,518	11,673	(1000 MT)
Yield	1.	1.4414	1.	1.4	2.	1.75	(MT/HA)

Barley	2010/2011	2011/2012	2012/2013
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Algeria	Market Year Begin: Jul 2010		Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
	Area Harvested	1,000	1,000	1,000	1,000	1,000	1,000
Beginning Stocks	1,247	1,258	1,336	1,317	1,686	1,567	(1000 MT)
Production	1,500	1,500	1,350	1,350	1,600	1,700	(1000 MT)
MY Imports	89	69	700	600	300	70	(1000 MT)
TY Imports	262	0	600	0	300	70	(1000 MT)
TY Imp. from U.S.	26	0	0	26	0	0	(1000 MT)
Total Supply	2,836	2,827	3,386	3,267	3,586	3,337	(1000 MT)
MY Exports	0	10	0	0	0	0	(1000 MT)
TY Exports	0	10	0	0	0	0	(1000 MT)
Feed and Residual	1,250	1,250	1,450	1,450	1,550	1,550	(1000 MT)
FSI Consumption	250	250	250	250	250	250	(1000 MT)
Total Consumption	1,500	1,500	1,700	1,700	1,800	1,800	(1000 MT)
Ending Stocks	1,336	1,317	1,686	1,567	1,786	1,537	(1000 MT)
Total Distribution	2,836	2,827	3,386	3,267	3,586	3,337	(1000 MT)
Yield	2.	1.5	1.	1.35	2.	1.7	(MT/HA)

Trade

CY 2012 wheat imports through July show a 17-percent decrease, compared to the same period in CY 2011. Total wheat imports from January to July CY2012 reached 3.6 MMT (\$1.17 billion) of which durum reached 903,696 MT (\$385 million) and bread wheat totaled 2.7 MMT (\$792 million) versus a total 4.59 MMT (\$1.75 billion) in the same period in CY 2011. CY 2012 imports are forecast well-below CY 2011 imports due to increased production. However, it currently is not clear whether Algeria's CY 2012 imports will tick up with the downward revision in CY 2012 production or OAIC will defer purchases due to high world prices and tight supplies.

Algeria Wheat Imports
(January through July CY2011-CY2012 comparison in MT)

	January-July CY2011			January-July CY2012		
	Durum	Common Wheat	Total Wheat	Durum	Common Wheat	Total Wheat
Origins	MT	MT	MT	MT	MT	MT
France	827809	2596018	3423827	101403	1279313	1380716
Canada	-	-	-	692402	-	692402
Argentina	-	78500	78500	-	567480	567480
Uruguay	-	77733	77733	-	307065	307065
U.S.A	47090	26700	73790	29891	235034	264924
Brazil	-	675097	675097	-	130709	130709
Great Britain	-	-	-	-	107081	107081
Mexico	141360	-	141360	80000	-	80000
Germany	-	26250	26250	-	75070	75070
Ukraine	-	-	-	-	5640	5640
Romania	-	-	-	-	5500	5500
Czech	-	-	-	-	3270	3270
Italy	52441	-	52441	-	-	-
Paraguay	-	26101	26101	-	-	-
Spain	24114	-	24114	-	-	-
Egypt	-	-	60	-	-	-
TOTAL	1092814	3506399	4599273	903696	2716162	3619857

Source: Algeria Official Trade data

France remains the top wheat supplier to Algeria for the first seven months of CY 2012 and commands a large portion of the bread wheat (47 percent) and durum (11 percent) markets followed by Canada (19 percent) and Argentina (16 percent). The U.S. share in the wheat market has recovered to a 7-percent share of the total wheat from January to July CY2012, with 3-percent share for durum and a 9-percent share for bread wheat. The U.S. market share for durum fell from 17 percent in CY 2010 to only 3 percent in CY 2011. U.S. wheat and other products face stiff competition from European suppliers due to price competitiveness and shipping flexibility.

Policy

In response to increasing international feed prices, the Government of Algeria (GoA) has suspended import duties and VAT on animal feed inputs and co-products, including corn, dried distiller's grains with solubles (DDGS), and corn gluten feed (CGF) as well as soybean meal. The GoA took this action to curb inflation by moderating expected increases the price of animal products, particularly meat and poultry. Previously, the import duty and VAT for corn was 5 percent and 7 percent and for DDGS and CGF it was 30 percent and 17

percent respectively. As a result, it is expected that imports of U.S. feed grain and DDGS could increase.