

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Algeria

Grain and Feed Update

Import Licenses Come into Force for Feed Grains & Ingredients

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Report Highlights:

The Ministry of Agriculture foresees total grain production totaling 3.5 MMT, of which Post estimates will be split 2.5 MMT for wheat and 1.0 MMT for barley and causing Post to increase its forecast for Algerian wheat imports. The new import license regime has also now come into force for barley, other feed grains, and feed ingredients, effectively setting import quotas for calendar year 2017.

Executive Summary

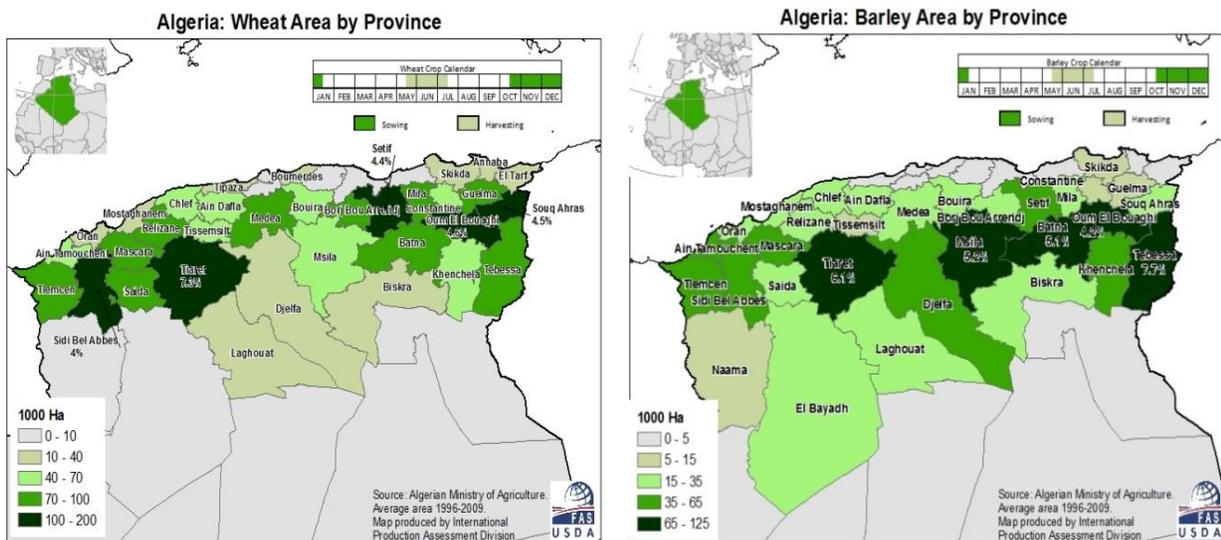
Following a sustained drought through the grain-fill period, Post revises down its initial MY2017/18 forecast in April for wheat to 2.5 MMT (consistent with the USDA forecast), while maintaining its barley production forecast from April at 1.0 MMT (lower than the official USDA forecast) in an effort to reflect total grain production estimates from the Ministry of Agriculture. In response, Post amends its forecast wheat imports higher to 8.2 MMT while also holding its earlier import forecast for barley at 600,000 MT. Post maintains its April forecasts for wheat and barley consumption. Since April, the new import licensing regime, which impacts barley, other feed grains, and feed ingredients, has come into force and reportedly disrupted barley shipments in June. Import licenses have been issued on a calendar-year basis with no foresight of when or if additional licenses may be issued.

Post has made adjustments to its estimates for MY2016/17 and MY2015/16 to reflect official trade data through April 2017. Of particular note, Algeria has recorded 74,000 MT of wheat imports from the United States in MY2016/17, compared to the total import estimate of 8.0 MMT.

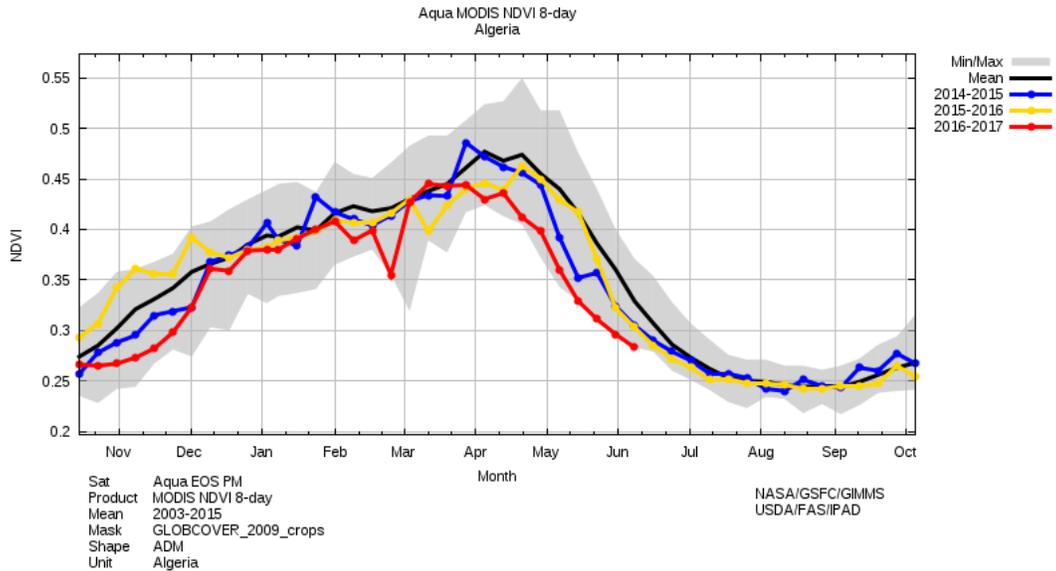
Crop Update

Although no official figures have been released, press reports from May 29, 2017 noted the Ministry of Agriculture's committee for monitoring and assessment of the cereal crop had forecast total MY2017/18 grain production (durum wheat, barley, common wheat, and oats) at 3.5 million MT, higher than the 2016 harvest (3.3 million MT) but lower than the 2015 harvest (4.0 million MT). During the period (2009-2016), the grain production in Algeria, averaged (4.4 MMT) with a record crop in 2009 that reached (6.12 MMT). As a result, the committee considers the current grain crop far below average, particularly considering the expansion of planted area, which grew from 3.3 million hectares for the MY2016/17 crop to 3.5 million hectares for MY2017/18. The committee attributes poor yields to the lack of rain that plagued many grain-producing regions (Tiaret, Sidi Bel-Abbès, Aïn Témouchent in the west and, Tébessa in the East).

Dry



vegetation during the previous two months, a period including grain fill and harvest, as shown by Algeria's Normalized Difference Vegetation Index (NDVI) (See chart below).



Trade Update

Wheat

Wheat imports through April 2017 are -0.5% behind the 2015/16 pace with two months remaining.

Algeria Imports of Wheat and Wheat Products (MT)

HS	Description	Marketing Year (Jul-Jun)			Year To Date		
		2013/14	2014/15	2015/16	07/15 - 04/16	07/16 - 04/17	% Change
_PSD Wheat	Total Wheat Equivalent	6,922,940	8,026,371	8,162,775	6,959,375	6,924,309	-0.5
1001	Wheat And Meslin	6,913,668	8,017,430	8,159,161	6,955,974	6,921,912	-0.49
1101	Wheat Or Meslin Flour	2	45	2	2	0	-86.59
190219	Pasta, Uncooked, Not Stuffed Etc., Nesoi	5,928	4,815	609	544	1,304	139.81
190230	Pasta, Prepared Nesoi	808	1,653	2,031	1,940	440	-77.34
190240	Couscous	40	23	0	0	8	

Source of Data: CNIS – Algerian Customs Office

Note: 1101, 190219, 190230, and 190240 multiplied by 1.368 to for wheat-equivalent basis

Algeria Exports of Wheat and Wheat Products (MT)

HS	Description	Marketing Year (Jul-Jun)			Year To Date		
		2013/14	2014/15	2015/16	07/15 - 04/16	07/16 - 04/17	% Change
PSD Wheat	Total Wheat Equivalent	22,159	15,090	14,281	11,163	7,315	-34.47
1001	Wheat And Meslin	17	21	0	0	0	
1101	Wheat Or Meslin Flour	288	1,286	2,149	966	1,248	29.22
190219	Pasta, Uncooked, Not Stuffed Etc., Nesoi	439	1,644	843	833	701	-15.89
190230	Pasta, Prepared Nesoi	13,789	6,236	3,884	3,642	1,062	-70.85
190240	Couscous	1,670	1,849	3,563	2,719	2,336	-14.09

Source of Data: CNIS – Algerian Customs Office

Note: 1101, 190219, 190230, and 190240 multiplied by 1.368 to for wheat-equivalent basis

Barley

Barley imports through April 2017 are -6.5% behind the 2015/16 pace with two months remaining. Industry reports shipments in June were disrupted in the wake of the new import license regime.

Algeria Imports of Barley (MT)

HS	Description	Marketing Year (Jul-Jun)			Year To Date		
		2013/14	2014/15	2015/16	07/15 - 04/16	07/16 - 04/17	% Change
1003	Barley	528,868	886,191	859,760	668,595	625,197	- 6.49

Source of Data: CNIS – Algerian Customs Office

Policy Update

As reported previously, in the beginning of 2017, the Ministry of Commerce announced import licensing would be extended to all “non-essential” products, but the effective starting date for the application of the new measures remained unknown until April 2017 when the Ministry of Commerce published the first list of products.

The following agricultural products: wood, fresh and chilled beef, cheese, lemon, apples, bananas, garlic, tomato paste, barley, corn, and soybean meal, as well as vitamin mineral concentrate are now subject to import licensing. As reported in local press, the Ministry of Commerce released on June 13, 2017, the feed grain quotas for CY2017, granted by an inter-ministerial commission in charge of import licensing:

- Barley: 462,076 MT may be imported in total by 42 potential buyers, mainly feed manufacturers, with priority given to the Government Feed Grain Agency (ONAB) and the Algerian Office of Cereals (OAIC)
- Corn: import licenses, totaling 2,128,779 MT, will be distributed among 60 potential buyers, including ONAB

- Soybean meal: 495,514 MT.
- Mineral vitamin concentrate: 9,041 MT may be imported through 28 licenses granted.

It is not known if additional import licenses for CY2017 will be issued.

Information on import licenses and quotas may be found on the Ministry of Commerce website at:
<http://www.mincommerce.gov.dz/>.

PSD Tables

Wheat	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
Algeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2100	2100	1300	1300	2100	2000
Beginning Stocks	3768	3768	4357	4367	4092	4102
Production	2700	2700	2000	2000	2500	2500
MY Imports	8153	8163	8000	8000	8000	8200
TY Imports	8153	8163	8000	8000	8000	8200
TY Imp. from U.S.	69	69	0	74	0	75
Total Supply	14621	14631	14357	14357	14592	14802
MY Exports	14	14	15	15	15	15
TY Exports	14	14	15	15	15	15
Feed and Residual	50	50	50	50	50	50
FSI Consumption	10200	10200	10200	10200	10300	10200
Total Consumption	10250	10250	10250	10250	10350	10250
Ending Stocks	4357	4367	4092	4102	4227	4537
Total Distribution	14621	14631	14357	14367	14592	14802
Yield	1.2857	1.2857	1.5385	1.5385	1.1905	1.25
(1000 HA) ,(1000 MT) ,(MT/HA)						

Barley	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
Algeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1000	1000	900	900	950	950
Beginning Stocks	1304	1304	1290	1314	1140	914
Production	1300	1300	1000	1000	1200	1000
MY Imports	836	860	900	650	600	600
TY Imports	864	864	900	650	600	600
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	3440	3664	3190	2964	2940	2514

MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	1800	1800	1700	1700	1700	1600
FSI Consumption	350	350	350	350	350	300
Total Consumption	2150	2150	2050	2050	2050	1900
Ending Stocks	1290	1314	1140	914	890	614
Total Distribution	3440	3664	3190	2964	2940	2514
Yield	1.3	1.3	1.1111	1.1111	1.2632	1.0526
(1000 HA) ,(1000 MT) ,(MT/HA)						