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Tunisia

Grain and Feed Annual

2013 Grain and Feed Annual

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Report Highlights:

The Tunisian Ministry of Agriculture revised MY2013/14 wheat and barley planted area down from 1.5 million hectare to 1.13 million hectare due to insufficient rain during the planting season. However abundant and well distributed precipitation from mid-January to end of March has benefited the crop. Post estimates that total cereal production for the MY2013/2014 season will be around 1.50 million MT, with wheat production at about 1.15 million MT and barley production at about 350,000 MT. Wheat imports in MY2012/13 are expected to reach 1.7 million MT, an increase of 4.7 percent compared to wheat imports in MY 2011/12 with Russia and Ukraine accounting for 50 percent of the market share. For MY 2013/14, Post estimates wheat imports to reach 1.87 million MT.

Executive Summary:

The Tunisian Ministry of Agriculture revised total planted area for wheat and barley for MY 2013/14 down to 1.13 million hectare, including 662,000 HA of wheat and 457,000 HA of barley. The downward revision was due to 370,000 HA not being planted due to insufficient rainfall. However abundant and well distributed precipitation from mid-January to end of March will benefit the crop. Post estimates that total cereal production for MY2013/2014 will be around 1.50 million MT with wheat production estimated at 1.15 million MT and barley production estimated at 350,000 MT. In MY2012/13, Tunisia's total cereal production was officially announced at 2.2 million MT while Post and other analysts estimate it at 1.8 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 2012/13 are expected to reach 1.7 million MT, an increase of 4.7% compared to wheat imports in MY 2011/12. Shipments from Russia, Ukraine, France and Italy accounted for the majority of Tunisia's wheat imports. Tunisia's wheat imports from the U.S., primarily durum wheat imported by private millers, totaled 20,000 MT in MY 2012/13, representing about 1 percent market share. Barley imports will reach, in MY 2012/13, 405,000 MT, up from 287,000 MT in MY 2011/12 with Russia and Argentina dominating 70% market share. Tunisia's total corn imports in MY 2012/13 will be around 917,000 MT, 12.2% more than the quantity imported in MY2011/12 (817,000 MT). U.S. corn exports to Tunisia declined dramatically to 5,000 MT in 2012, down from 109,000 MT in 2011 mostly because of highly competitive prices offered by Tunisia's main exporters, including Argentina and the Black Sea suppliers.

The Government of Tunisia (GOT) continues to implement its strategy to boost cereal production that started in 2008. In 2012, 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:

Select

Production:

According to the Tunisian Ministry of Agriculture, total planted area for wheat and barley for MY2013/14 is estimated at about 1.13 million hectares, 859,000 HA in the northern part of the country and 272,000 HA in the central and southern regions. The planted area is much lower than the 1.5 million hectares for which the government planned. The smaller planting acreage is due to the severe shortage of rainfall during November and December 2012. The precipitation registered until January 2013 represented 50% of the average rainfall received each year. Total acreage dedicated to irrigated wheat reached 88,000 HA, 10% less than the previous year. The overall seeding of the cereal crops was behind schedule in most regions as farmers, especially small ones, waited for rain to start sowing. Wheat planted area was estimated at 662,000 HA, of which 532,000 HA of durum wheat and 130,000 HA of soft wheat, while area planted to barley was estimated at 457,000 HA and triticale at 11,000 HA.

Despite the lack of rain during the planting period, the new wheat and barley crops are reportedly in relatively good condition. In fact, precipitation from mid-January to end of March was abundant and well distributed and should benefit the crop. Some analysts believe that yields could be about 20 percent less than 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 MY2013/2014 season is around 1.50 million MT, with wheat production projected at about 1.15 million MT and barley production estimated at 350,000 MT. Post estimates durum wheat will account for about 80 percent of total wheat production, while soft wheat will account for the remainder.

In MY2012/13, Tunisia's total cereal production was officially announced at 2.2 million MT, almost the same level as MY2011/12. The relatively large cereal crop was mostly due to sufficient rainfall and favorable weather conditions throughout Tunisia during the various stages of crop development. According to the Ministry of Agriculture, the national average yield for the MY2012/13 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 1.8 MT/HA depending on rainfall conditions.

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

Year	MY2008/09	MY2009/10	MY2010/11	MY2011/12	MY2012/13
Area Planted (1,000 Hectares)					
Durum Wheat	649	679	596	678	708
Soft Wheat	136	124	118	129	149
Total Wheat	785	803	714	807	857
Barley	548	588	520	658	661
Total Planted	1333	1391	1234	1465	1518
Total Harvested	734	1338	629	1347	1333
Production (1,000 MT)					
Durum Wheat	730	1,353	670,7	1,320	1,200
Soft Wheat	190	300	151,2	280	300
Total. Wheat	920	1,653	821,9	1,600	1,55
Barley (+triticale)	270	879	257,7	710	650
Total Production	1,190	2,532	1,079	2,310	2.200

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 50 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, 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

For MY2012/13, Tunisian wheat imports are expected at 1.7 million MT, an increase of 4.7% compared to wheat imports in MY 2011/12. Shipments from Russia and Ukraine accounted for 50% of the wheat imported while Canada, South American countries and European Union (EU) countries such as France, Spain and Italy accounted for the rest. Tunisia's wheat imports from the U.S., primarily durum wheat imported by private millers, totaled 20,000 MT in MY 2012/13 and represented about a 1 percent share of the market. 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.

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.

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

Table 2: Calendar Year Imports (MT)

Year	2009	2010	2011	2012
Durum Wheat Imports	435,400	811,000	524,000	578,500
Soft Wheat Imports	793,800	1,103,000	1,065,000	1,053,800
Total Wheat	1,229,200	1,914,000	1,589,000	1,632,300

Source: Institut National de la Statistique

For MY 2013/14, imports are forecast to be higher than in MY 2012/13 and are projected to be around 1.87 million MT. This would likely be due to a minor wheat crop projected this year, about 15 to 20 percent less 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.

Tunisian Wheat Imports (1000 MT)

Country	CY 2008	CY 2009	CY 2010	CY 2011	CY2012
U.S	46,864	29,755	92,428	64,956	19,149
Canada	105,543	135,593	129,368	81,850	263,670
Brazil					93,000

Uruguay					71,000
Black Sea	708,596	665,232	686,464	570,290	859,110
Kazakhstan	94,489	6,037	10,276	-	27,141
Russia	293,537	129,599	128,558	331,357	356,937
Ukraine	320,570	529,596	547,630	238,933	475,032
European Union	845,009	325,694	767,496	589,669	259,569
Bulgaria	16,137	-	16,647	7126	-
France	197,343	125,582	262,158	256,191	36,922
Greece	104,820	89,372	55,543	18,154	2873
Italy	266,494	93,089	279,311	233,604	139,534
Spain	59,808	17,650	51,125	74,594	80,240
Grand Total	1,765,900	1,229,200	1,914,000	1,589,000	1.632,300

Source: Institut National de la Statistique

Barley

For MY2012/13 total barley imports are estimated around 405,000 MT, up from 287,000 MT in MY 2011/12 with Russia and Argentina dominating 70% of the market share. It is worth mentioning that U.S. barley exports continued their absence in 2012, while they have made a notable return to the Tunisian market in 2010 with shipments totaling 60,000 MT. For MY 2013/14, it is projected that Tunisia's barley imports could increase to 500,000 MT, reflecting expectations of a less important local barley crop.

Corn

Tunisia's total corn imports in MY 2012/13 will reach 917,000 MT, 12.2% more than the quantity imported in MY2011/12 (817,000 MT). This is the second year that Tunisian corn imports exceeded 900,000 MT. U.S. corn exports to Tunisia declined significantly to 5,000 MT in 2012, from 109,000MT in 2011. This was mostly due to more competitive prices offered by Tunisia's main exporters, 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 2013/14, Tunisia corn imports are projected to stabilize around 900,000 MT, according to private importers. The table below shows Tunisia corn imports by country of origin in the last three years. It should be noted that official Tunisian figures for corn imports are significantly different from U.S. Trade data, maybe due to lag in reporting import shipments.

Tunisian Corn Imports (1000 MT)

Country	CY 2009	CY 2010	CY 2011	CY2012
U.S	51	224	109	5
Others				
Argentina	25	27	148	94
Ukraine	472	230	353	406
Romania	11	12	25	214
Brazil	0	130	82	

Others not Listed	105	266	133	
Total for Others	613	665	741	850
Grand Total	664	889	850	855

Source: Institut National de la Statistique

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. In early 2012, a technical commission was set up in order to revise farm-gate prices for wheat and barley according to international prices and local conditions. In mid 2012, the commission decided to revise down the quality standard included in the 'cahier de charge' of the wheat delivered by farmers to the "office des céréales". This will help to better pay farmer without any direct price increase that could impact the government finance. Millers protested against this measure expecting negative consequences on their activities. Current farm-gate prices for cereals harvested (effective through August 31) are set as follows:

- 600 TD/MT for durum wheat (\$429/MT)
- 450 TD/MT for soft wheat (\$333/MT)
- 420 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 (\$18.80/MT)
- 20.6 TD/MT for soft wheat (\$15.25/MT)
- 17.15 TD/MT for Barley (\$12.7/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 Céréales" 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:

Wheat Tunisia	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	741	741	752	752		620
Beginning Stocks	745	745	469	538		638
Production	1,200	1,200	1,350	1,350		1,150
MY Imports	1,473	1,623	1,500	1,700		1,870
TY Imports	1,473	1,623	1,500	1,700		1,870
TY Imp. from U.S.	10	30	0	20		20
Total Supply	3,418	3,568	3,319	3,588		3,658
MY Exports	24	30	25	150		150
TY Exports	24	30	25	150		150
Feed and Residual	100	0	100	0		0
FSI Consumption	2,825	3,000	2,850	2,800		2,825
Total Consumption	2,925	3,000	2,950	2,800		2,825
Ending Stocks	469	538	344	638		683
Total Distribution	3,418	3,568	3,319	3,588		3,658
Yield	2.	1.6194	2.	1.7952		1.8548
TS=TD		0		0		0
Comments						
AGR Number						

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Barley	Tunisia	2011/2012		2012/2013		2013/2014	
		Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
		USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested		571	571	500	522		370
Beginning Stocks		350	350	193	312		317
Production		500	500	550	450		350
MY Imports		193	287	500	405		500
TY Imports		218	313	500	479		550
TY Imp. from U.S.		0	0	0	0		25
Total Supply		1,043	1,137	1,243	1,167		1,167
MY Exports		0	0	0	0		0
TY Exports		0	0	0	0		0
Feed and Residual		800	775	900	800		800
FSI Consumption		50	50	50	50		50
Total Consumption		850	825	950	850		850
Ending Stocks		193	312	293	317		317
Total Distribution		1,043	1,137	1,243	1,167		1,167
Yield		1.	0.8757	1.	0.8621		0.9459
TS=TD			0		0		0
Comments							
AGR Number							

Comments To Post