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Report Highlights:

Post forecasts MY 2023/24 wheat production at 3.3 million metric tons (MMT) and barley production at 1.4 MMT, in line with the previous season as climatic conditions are similar. Post anticipates lower overall wheat imports in 2022/23, but higher than the average volume from Russia. Post forecasts increase in raw soybean imports, at the expense of soybean meal and oil shipments as Algeria's soybean crush capacity is expected to triple in 2023.

Executive Summary

Unlike last year, marketing year (MY) 2023/24 plantings started in September, in anticipation of early rains. The MOA made treated seeds and fertilizers available in August, earlier than the previous practice, and dispatched supervision commissions for plantings to all the regions (referred to as *wilayas*) of the country to optimize yields.

Wheat, barley, and oat constitute the main grain crop in Algeria with durum counting for the largest portion. In the past decade, durum typically accounted for 46 percent of the planting areas followed by barley (36 percent), then bread wheat (14 percent), and oats (2 percent). This trend is continuing as the MOA pursues its strategy to achieve durum production self-sufficiency.

The NDVI imagery from mid-February 2023 shows a normal vegetation index on the Mediterranean coast and a below-normal NDVI in the western region and the high lands regions, located in both the west and east of Algeria. Overall, the vegetation conditions remained within the Min/Max range (Minima/Maxima monthly standard for the region) and normal average in the two regions.

The MOA has not released the MY 2022/23 grain production figures breakdown. However, in December 2022, Agriculture Minister Mohamed Henni indicated that Algeria's MY 2022/23 durum wheat production reached 41 million quintals (the equivalent of 4.1 MMT), enough to cover 90 to 95 percent of national needs for producing pasta and couscous. He added that barley production is also very abundant.

Algeria promotes sustainable food safety in Agriculture during its National Agriculture Convention (Assises Nationales de l'Agriculture) held in Algiers on February 28, 2023, chaired by the President of Algeria, Abdelmadjid Tebboune. The convention concluded with a series of recommendations to improve the agriculture sector. (See production section).

When it comes to trade, Post anticipates that import volumes will decrease as compared to last season as imports from Europe and Argentine are expected to fall. Meanwhile, Post anticipates that Russian wheat will emerge as key for Algerian total import volumes.

Over the last several years, the crush capacity has increased significantly in Algeria, pushing imports towards raw beans, rather than meal and oil. Soybean meal is now produced locally, and soybeans imports are taking over the market.

Pulses and rice imports will be exclusive to the Algerian Office of Cereals (OAIC) starting from February 09, 2023.

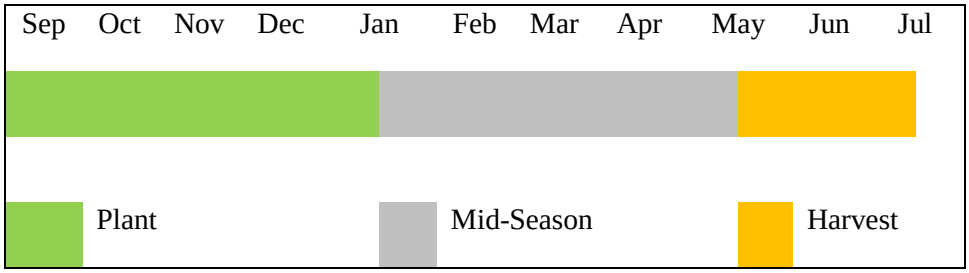
Production

MY 2023/24 cereals area to remain stable.

Post forecast wheat and barley production areas to remain stable. As reported by the Minister of Agriculture, Abdelhafid Henni during the plenary meeting of the Nation's Council at the Senate in December 2022, the area allocated to grains reached 2.6 million hectares (ha) in 2022 which represents 31 percent of agricultural land in rotation.

Unlike last season, marketing year (MY) 2023/24 plantings started in September, rather than in October as encouraged by the Ministry of Agriculture (MOA) in anticipation of early rains. In Algeria, most of the wheat and barley planting in the main agricultural zones takes place between September and December. The growing season runs from January to mid-May, and harvest begins in early summer.

Figure 1: Algeria's Wheat and Barley Crop Season Calendar



Source: Post Algiers Chart

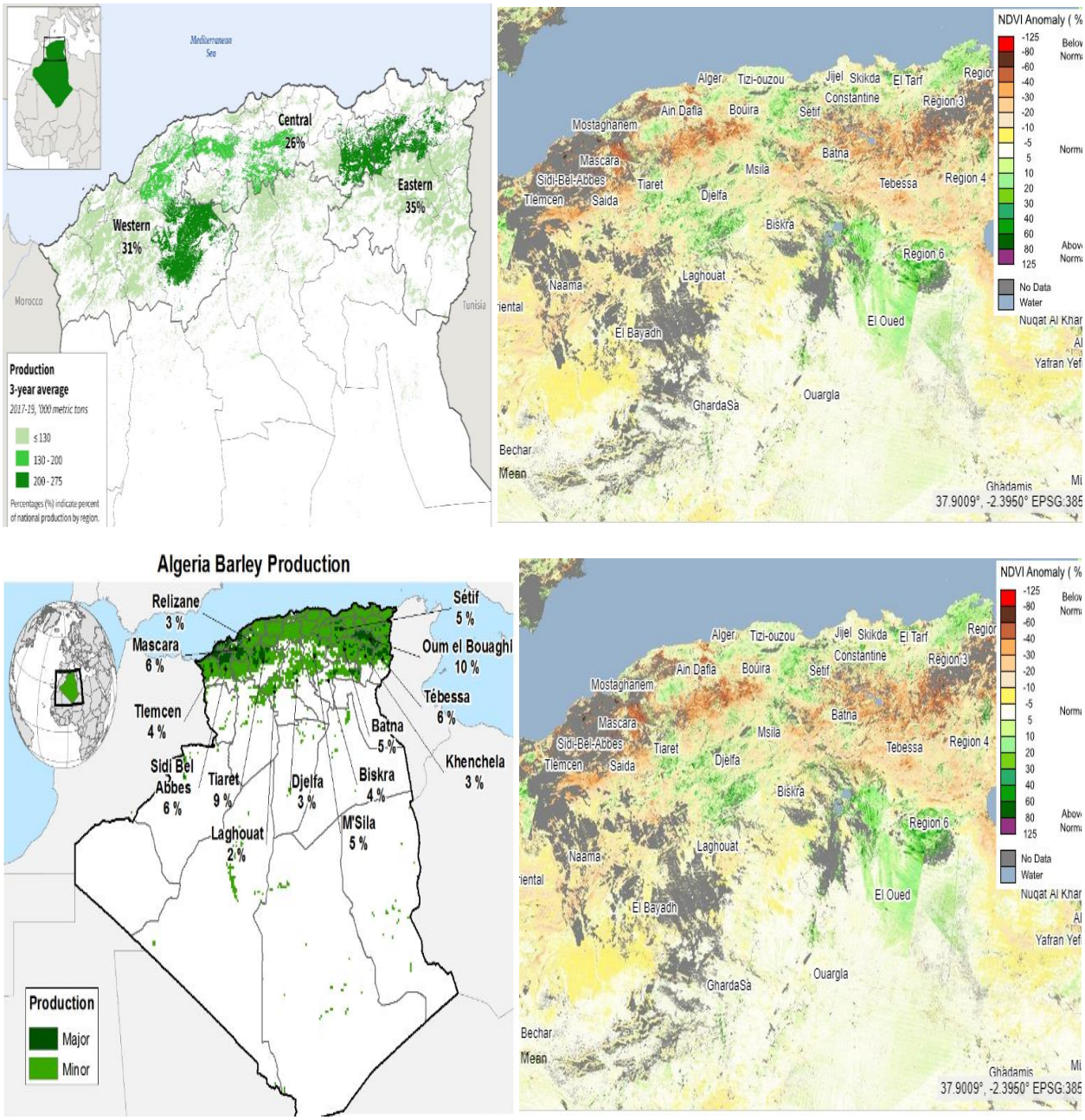
Wheat and barley crops are usually grown in the north of Algeria. According to the latest available data from the Ministry of Agriculture, as of 2019, about 35 percent of the wheat is grown in the eastern inland region, 31 percent in western inland areas, and 26 percent are planted in the central regions. Barley crop is grown in the north of Algeria, widely spread from the west to the east in the highlands and the Mediterranean coast. In the last few years, cereal cropland has expanded to the south of Algeria in the desert regions cultivated with supplemental irrigation. Cereals grown in the Sahara include wheat and corn. Post believes that cereal production will continue to expand in the Sahara, albeit the coastal and Mediterranean regions will remain the lead producers.

Large swathes of Algeria's cropland are rain irrigated and as such, precipitation and soil moisture are very important during planting as well as during plant maturation. Grain yields are heavily correlated with climatic conditions. The irrigated areas devoted to cereals are estimated at just about 10 percent of the total land in production or 250,000 hectares. The MOA's program for the expansion of irrigated agricultural areas is targeting an increase from 1.3 million ha to 2 million ha, of which 600,000 ha will be devoted to cereals.

MY 2023/24's Crop Conditions

The chart and satellite imagery below depict the historical and current normalized difference vegetation index (NDVI) in Algeria. These regions are the main wheat and barley growing areas. The NDVI imagery as of February 10-17, 2023 shows a normal vegetation index on the Mediterranean coast and a below normal NDVI in the western region and the highlands regions, in the west to the east of Algeria.

Figure 2: Algeria Wheat and Barley Crop Land Normalized Difference Vegetation Index

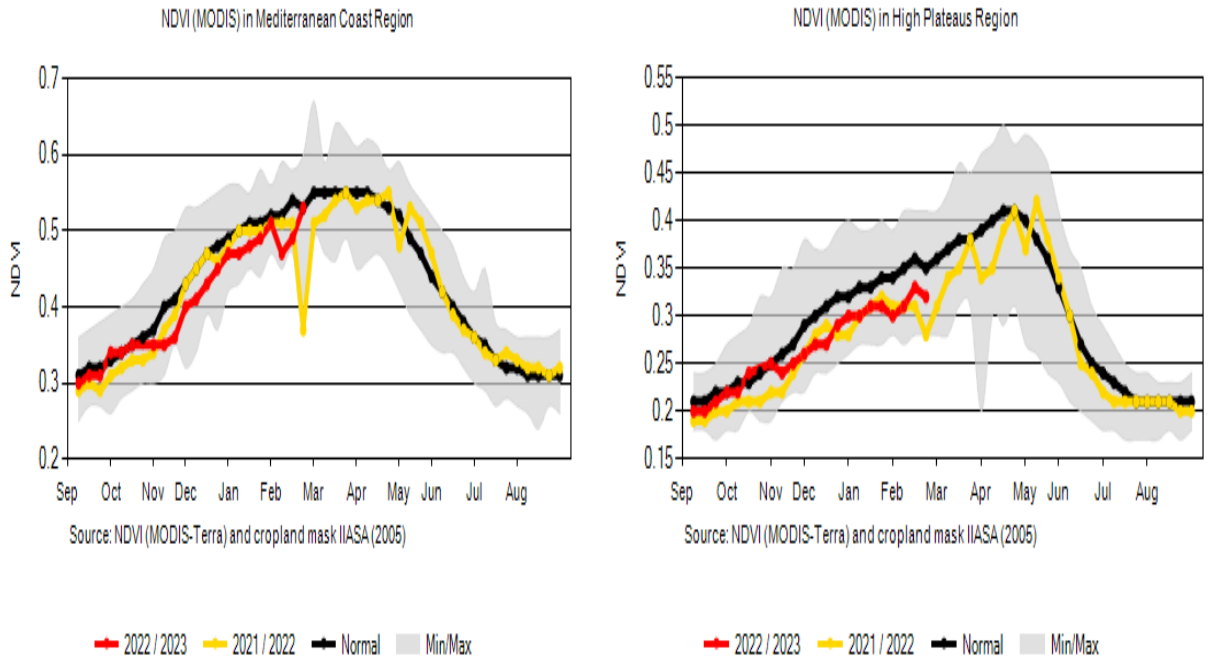


Source: USDA map produced with MOA data; and https://glam1.gsfc.nasa.gov/ data from February 10-17, 2023

The charts below show vegetation conditions were slightly higher, but within normal levels from September to November of this season, as compared to the previous season for the Mediterranean coast and the highlands. By the end of November through February, the vegetation conditions looked slightly lower than the previous year on the Mediterranean coast. In the highlands, vegetation was almost in identical conditions as the previous year through February 2023. As rain resumed in February, the vegetation conditions improved through March for both regions.

Overall, the vegetation conditions remained within the Min/Max range (Minima/Maxima monthly standard for the region) and the normal average in the two main growing regions.

Chart 1: Algeria USDA Crop Explorer Normalized Difference Vegetation Index

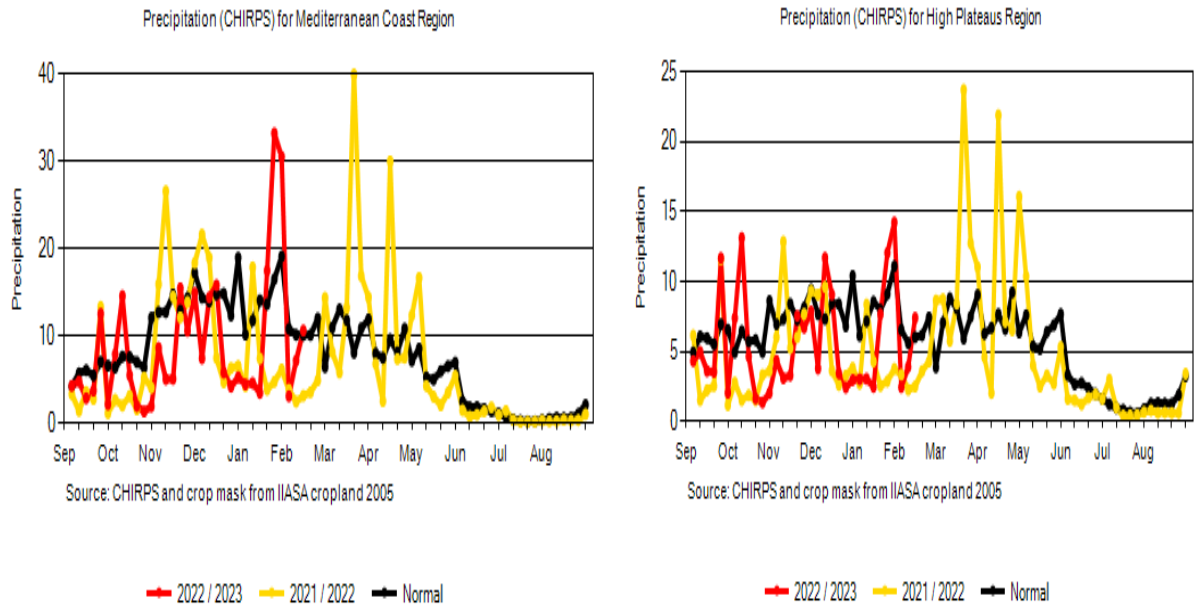


Source: Crop Explorer (https://ipad.fas.usda.gov/cropexplorer/) sourced on February 17, 2023;
**Note that the 2022/23 red line refers to the crop planting, growing period, and harvest dates, and not the USDA marketing year. As such, the 2022/2023 redline reflects crop conditions for the 2023/24 MY crop.*

MY 2023/24's Weather and Soil Moisture

The USDA Crop Explorer precipitation chart below shows the level of precipitation received this year was irregular. The last ten days of September and October were rainy in the Mediterranean coast region as well as in the highlands which coincides with the beginning of the planting campaign. Meanwhile, November, December, and January were dryer for both regions compared to the previous year.

Chart 2: Precipitation by Month

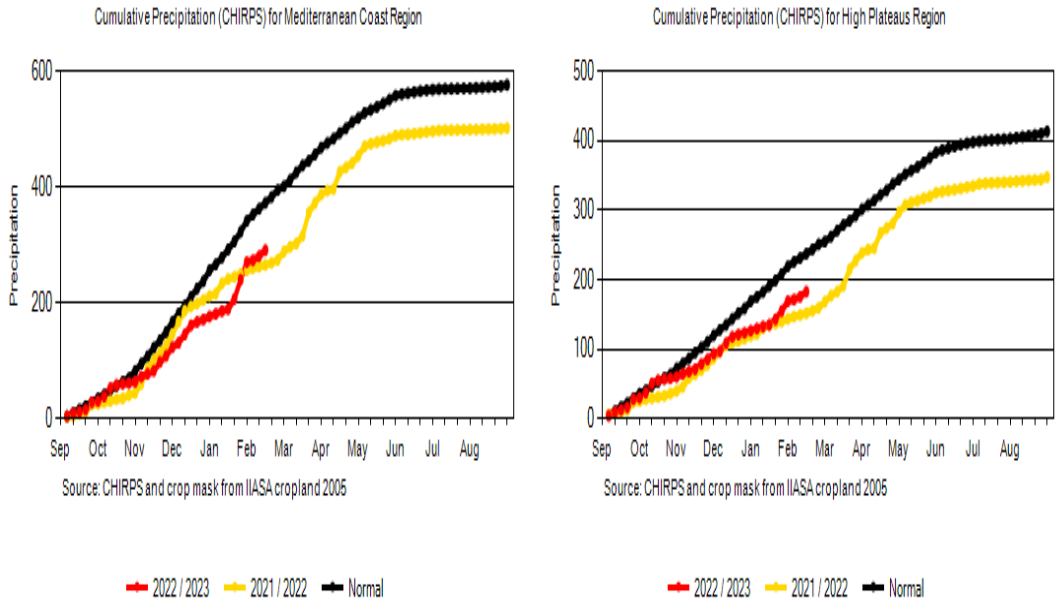


Source: Crop Explorer (https://ipad.fas.usda.gov/cropexplorer/) sourced on February 15, 2023

**Note that the 2022/23 red line refers to the crop planting, growing period, and harvest dates, and not the USDA marketing year. As such, the 2022/2023 redline reflects crop conditions for the 2023/24 MY crop.*

The USDA Crop Explorer Cumulative Precipitation chart below shows that the level of precipitation for the current season (MY 2023/MY 24) started almost at the same level as in September 2021. This year, precipitation increased from October through November to above the levels registered at this time last season, and above the normal average in the Mediterranean coastal region. The level of precipitation decreased in December through February compared to the previous year, then increased again in February when the rain resumed.

Chart 3: Cumulative Precipitation by Month

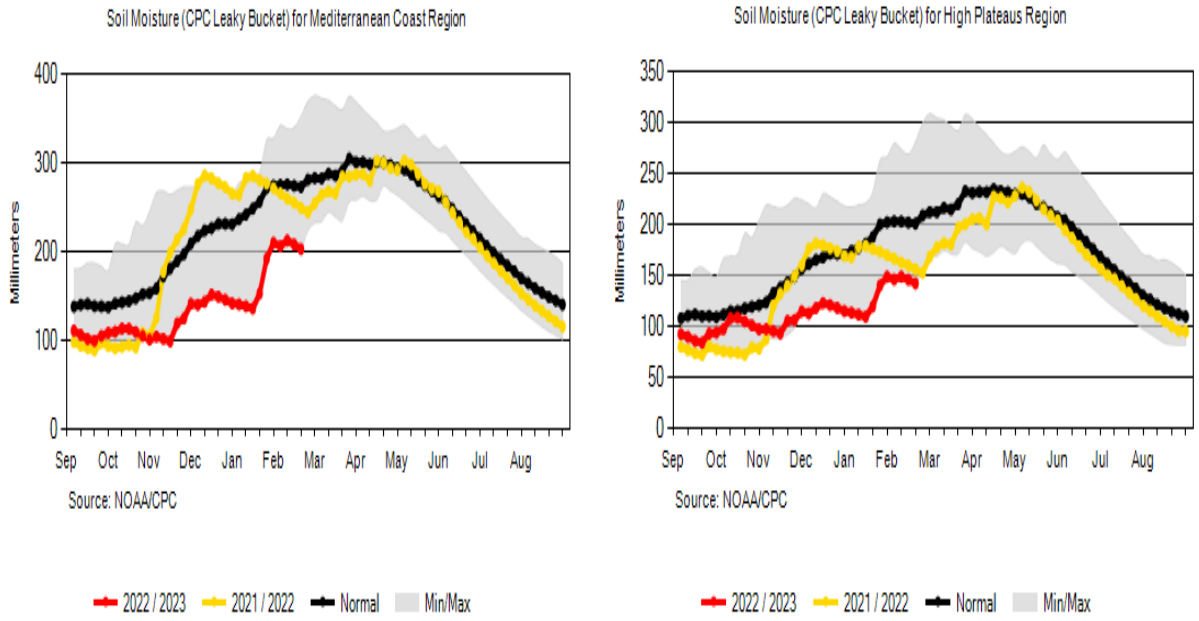


Source: Crop Explorer (https://ipad.fas.usda.gov/cropexplorer/) sourced on February 15, 2023
**Note that the 2022/23 red line refers to the crop planting, growing period, and harvest dates, and not the USDA marketing year. As such, the 2022/2023 redline reflects crop conditions for the 2023/24 MY crop.*

The Cumulative Precipitation chart for the highlands shows that the level of precipitation from September 2022 through mid-February 2023, (these dates align with the MY 2023/24 season) started almost at the same level as in September through November 2021 and remained the same as the previous year through January within the normal average. In February 2023, the rain resumed however, remained under normal average levels. Thus, the precipitation at the beginning of the 2023/24 crop season remains lower than the normal average levels in both Mediterranean Coast and the highlands areas. Overall, the eastern and central regions received more rain than the western areas.

Meanwhile, the charts below show a slight increase in soil moisture levels in September-November 2022 and a significant decrease from that point and through to February 2023, compared to the same period last season in the Mediterranean coast and highland regions, in correlation with the precipitation. However, as of February 2023, precipitation in both regions has replenished soil moisture through February and mitigated early season dryness. Despite the rain, the levels of soil moisture remained at the lower limit of the Min/Max range (Minima/Maxima monthly standard for the region) for both the Mediterranean coast and the highlands.

Chart 4: Soil Moisture



Source: Crop Explorer (https://ipad.fas.usda.gov/cropexplorer/) sourced on February 20, 2023
**Note that the 2022/23 red line refers to the crop planting, growing period, and harvest dates, and not the USDA marketing year. As such, the 2022/2023 redline reflects crop conditions for the 2023/24 MY crop.*

Grain Production

Post forecasts MY 2023/24 wheat production at 3.3 million metric tons (MMT) in line with the previous year as climatic conditions are similar. As the Ministry of Agriculture has not released the MY 2022/23 grain production breakdown figures, Post maintains its wheat production estimate for MY 2022/23 until the official figures are released. Post also maintains production figures for MY 2021/22. However, Post revised its barley production estimate up to 1.4 MMT in MY2022/23, based on reports from farmers and the livestock industry of good yields.

For the 2023/24 campaign, the MOA made treated seeds and fertilizers available in August, earlier than the previous practice. Furthermore, this year, the MOA dispatched supervision commissions for plantings to all the regions (referred to as *wilayas*) of the country to optimize yields. These commissions are made up of central and local executives, representatives of the farmers Union (UNPA) and the Chambers of Agriculture, and executives of the government-run Algerian Office of Cereals (OAIC), under the supervision of the governors.

Government efforts to increase production through the use of more certified seeds, fertilizers, and technical support to farmers have proven effective over the long term. Wheat, barley, and oat constitute the grain crop in Algeria. In the past decade, durum accounted for the largest share of cropland at about

46 percent, followed by barley (36 percent), then bread wheat (14 percent), and oat (2 percent). This trend is continuing as the MOA pursues its strategy to achieve durum production self-sufficiency. Climatic conditions do not favor bread wheat production in Algeria, as this variety is very sensitive to dry conditions.

Over the last decade (2009-2019) production rose from an average of 2.97 MMT to close to 6 MMT in 2019. However, it remains insufficient to meet total domestic demand. In addition, as the table below shows, production and yields vary greatly from year to year, largely due to rain conditions.

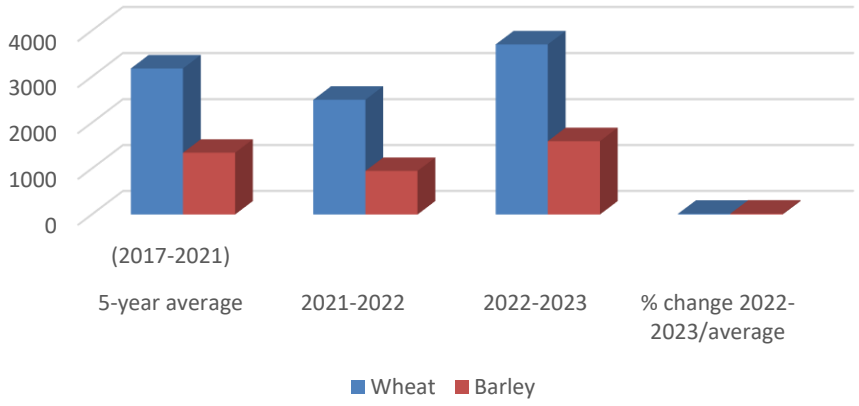
Table 1: Algeria Cereal Production (Million MT)

2000-2008*	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2.97	6.12	4.56	4.25	5.13	4.91	3.04	4.0	3.3	3.5	6.0	5.6

Source: Ministry of Agriculture, 2000-2008 is the average production for that period*

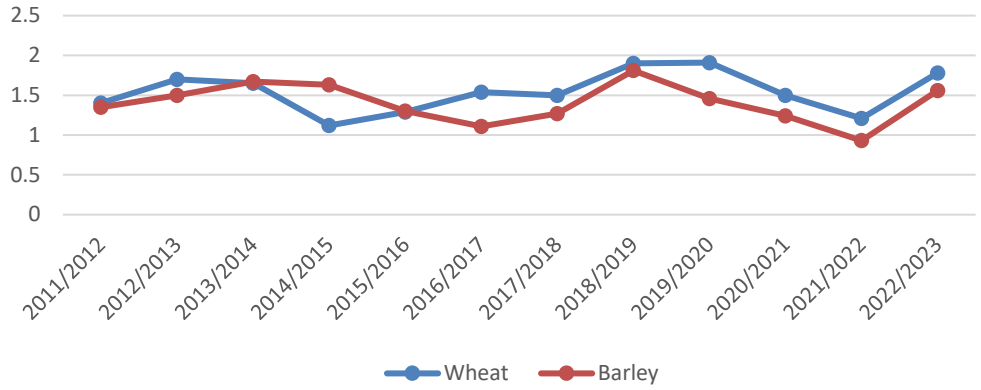
This improvement in production is also reflected in the charts below even though the 2021-2022 season has seen a drop in production due to drought.

Chart 5: Algeria Wheat and Barley Production Comparison (in MT)



Source: https://ipad.fas.usda.gov/, Chart OAA Algiers

Chart 6: Algeria Wheat & Barley Yields Comparison (by MY)



Source: USDA PSD Online; Chart OAA Algiers

The MOA has not released the MY 2022/23 grain production figures breakdown. However, in December 2022, according to Agriculture Minister Mohamed Henni, Algeria's MY 2022/23 durum wheat production reached 41 million quintals (the equivalent of 4.1 MMT), enough to cover 90 to 95 percent of national needs for producing pasta and couscous. Production of bread (common) wheat, which is destined for the bread industry, aims to cover 50 percent of consumption. The Minister of Agriculture added that 'barley production is also very abundant". Minister Henni indicated that 2021/2022 (which aligns with the USDA MY 2022/23) grain output recorded an increase of 48 percent compared to the previous season. The Algerian Press Service (APS) published on December 24, 2022, a news report indicating that the figures for grain production reached 4.1 MMT, which includes wheat, barley, and oats. APS did not provide the breakdown in production per crop.

To note, cereal production was at the center focus of the National Agriculture Convention (Assises Nationales de l'Agriculture) held in Algiers on February 28, 2023, under the slogan "Agriculture: Sustainable Food Safety", and chaired by the President of Algeria, Abdelmadjid Tebboune. The President described cereal production as strategic and the Prime Minister noted the increase in financial support to 60 billion Algerian Dinars (AD) in 2022 versus 30 billion AD in 2021, to lighten the heavy import bill due to global food price inflation.

The convention recommended: 1) creating large integrated farms to produce cereals and fodder and breeding dairy cows; 2) encouraging domestic and foreign investment in this context; 3) digitization of data management; 4) modernization of production and the development of strategic sectors. The Prime Minister called for increasing production and efforts to materialize major investment projects and achieve the objectives set out in the Government's action plan (outlined below in the section Agriculture modernizing). He commended the considerable efforts made over the past three years thanks to "courageous" incentives to intensify production despite the difficult economic conditions, such as the lack of water resources, and the repercussions of the Covid-19 pandemic, as well as the geostrategic situation.

In addition, during the meeting, participants discussed the need to strengthen human resources in terms of training, research, and guidance, and to supervise young leaders' project, in coordination with the Ministry of the Knowledge Economy, Start-ups, and Micro-enterprises. The participants further advocated the intensification of seed production while preserving national genetic resources, through the completion of the realization of the National Bank of Genetic Resources in the second half of 2023, after the establishment of the National Seed Bank in 2022.

Finally, the convention recommended creating a national authority specialized in agricultural irrigation in charge of the management and rational exploitation of water resources intended for irrigation. They also called for the establishment of a new support system for projects relating to the use of renewable energies in irrigation operations, particularly in the southern regions, as well as an emergency plan for the exploitation of the dams and hill reservoirs in agricultural perimeters, to cope with climate change and drought.

Algerian Agriculture Modernizing

The plans outlined during the National Agriculture Convention are part of the government's broader push to diversify the Algerian economy and attract foreign and domestic investment outside the energy sector. To achieve this objective, the GOA aims to improve the business climate, develop the strategic sectors, promote exports, and control imports.

In the context of this strategy, the GOA encourages modern industrial agriculture, using new technologies, and digitization as well as innovative tools and renewable energies. The government strategy prioritizes investment in agricultural products ensuring food security in the country. In addition, it promotes foreign direct investments and partnerships, particularly in the field of cereals, oilseeds, and sugar production, as well as crushing and refinery projects. The government is also keen to support the development of storage capacities, especially cold chain, and packaging projects. The MOA is granting land to private investors to launch these large-scale initiatives.

The government encourages large-scale agricultural investments in the highlands and the “Sahara” (South of Algeria). The MOA has created the Office for Saharan Agriculture Development (ODAS) to promote agriculture investments and facilitate procedures for investors (local and foreign) using new technologies and innovative tools. Local investors told Post that in the case of approved projects, the office moves in a matter of weeks to facilitate all the required procedures to launch the project.

As outlined previously, in late 2020, the GOA launched an Agricultural Roadmap to develop the sector, with a focus on key commodities such as wheat, corn, soybeans, and sugar. The GOA pursues its goal of achieving self-sufficiency in durum wheat and pulses production by putting fallow land in production to grow fodder and pulses in addition to barley and oats. In addition, the roadmap seeks to broadly modernize crop farming in Algeria by using drones and satellites. In December, Minister of Agriculture Abdelhafid Henni outlined all the government measures to develop cereal production, including the launch of a digital grain stocks management system. The system will track stocks held by the OAIC as

well as the private producers. The Minister highlighted that digitization would enable the government to have precise information on domestic supply and to review the distribution of supplies to the 432 flour mills nationwide, thus ensuring better coverage of the needs of each wilaya.

Henni also noted the creation of a seeds bank, the use of drones and satellites to track crop production, as well as the launch of a census for strategic crop harvests.

GOA Seeks to Build up Oilseed Cultivation

On 12 December, the Minister of Agriculture, Abdelhafid Henni, stated that Algeria is 'essentially transitioning to cultivating sunflower seeds for oil'. According to the Minister, growing sunflower seeds requires the same phytosanitary products and fertilizers as cereal crops 'so it is something that is known to, and understood by, our farmers. Regarding the growing of rapeseed for oil, the Minister suggested that 'We have not abandoned it entirely, but growing it is voluntary'. Domestic rapeseed production was introduced two years ago, and in 2021/2022 resulted in 13,935 quintals harvested from 13,000 hectares sown, compared to 4,000 the previous season. However, the second season of rapeseed production faced several problems. Some farmers questioned the quality of the variety of seed used or its suitability to Algerian growing conditions as well as the rapidity at which it was sold 'without prior study'.

Consumption

Algeria remains a major consumer of cereals and wheat is considered a main food staple. Durum is used to produce pasta and couscous. Bread (common) wheat is mainly used to produce bread. Consumer associations continue to sensitize consumers to decrease the consumption of bread to avoid waste. However, bread is also widely available at subsidized prices, and Algerians frequently buy baguettes, priced at $0.10 by the half dozen.

The milling sector comprised of 432 mills has been stable and has not seen any major change in several years. No new agreements nor expansions have been made. Because of these factors, Post anticipates that wheat consumption will remain relatively stable with normal growth in the near future. Post forecasts total wheat consumption at 11.20 MMT for MY2023/24. Post maintains total wheat consumption at 11.10 MMT for MY2021/22 and 11.15 MMT for MY2022/23.

Barley remains mainly consumed as grain in animal feed by sheep, cattle, and camels, with small amounts consumed as green fodder. Minor amounts are used for human traditional foods (couscous and bread). Algeria's breweries consume small amounts of barley, generally imported from Europe.

Barley consumption is a function of weather-related pasture conditions-in general, bad pasture conditions result in increased demand for imports. With the increase in animal numbers, particularly sheep, consumption has trended upward since 2000. If the current dry conditions remain, Post anticipates that barley demand may increase.

Post maintains barley total consumption stable at 1.9 MMT for MY2021/22 and revises forecast down for MY2022/2023 and MY2023/24, as farmers reported using less barley due to rising prices.

Trade

The GOA remains focused on the strategy to increase the production of cereals to reduce imports. Cereals continue to lead Algeria's total food imports. As outlined in the production section, the President described cereal production as strategic, and the Prime Minister noted the increase in financial support to lighten the heavy import bill which is expected to increase in 2023 due to rising global food prices.

Wheat

Post forecasts wheat imports at 8.2 MMT for MY 2023/24. Post revised MY 2022/23 estimate down to 7.5 MMT based on the trend established so far this season. Data from TDM shows that Algeria imported just 3.0 MMT in the eight months of the MY 2022/23. Post estimates that this figure should be closer to 4.5 MMT together with volumes sent – but not reported – by Russia.

As noted in the consumption section, bread is the main food staple in Algeria, and consumer demand has held steady with population growth notwithstanding any changes in the economic factors. As such, imports are generally a function of a shortfall in production.

Note that Algeria does not release the results of its tenders.

Russian Wheat Emerges as Key to Algerian Supply

According to the statement from the Russian Grain Union, in the 2022/23 MY, Russia was expected to supply about 40 percent of Algeria's wheat, with volumes reaching up to 3.5 million MT. According to data from the union, in the first half of the 2022/23 marketing year, Algeria imported 1.75 million MT of Russian wheat, about five times more than in the same period last season.

Meanwhile, reports from traders indicated that the OAIC continued buying bread wheat and durum on the international market throughout 2022 and are continuing to do so into 2023, with origins from the main supply regions including Europe, as well as Russia. Algeria seems to be satisfied with wheat from Russia as indicated by the Director General of the State-owned Algerian Office of Cereals, (OAIC), Nasreddine Messaoudi. Messaoudi noted that the protein levels of Russian deliveries of wheat were good and that the specific weights have been higher on average than those coming from the European Union (EU). About bug damage rates, the Director General stated that there has been progress and that 'we are seeing rates of between 0.3 percent and 0.4 percent. To recall, Algeria modified its wheat import restrictions at the end of 2020 to raise the rate of permitted bud-damaged grain from 0.2 percent to 0.5 percent to allow wheat from Black Sea origin. Since then, Russia has exported wheat to Algeria on the regular basis.

Algeria has been seeking to diversify the country's suppliers of bread wheat and to source wheat at lower prices. For years, cereal imports continue to represent around a third of the food import bill. Since the onset of events in Ukraine, Algeria has intensified its efforts to diversify its suppliers against a backdrop of high wheat prices and substantial volatility. However, in the first eight months of the current MY, the wheat supplier base shrank to seven suppliers (plus Russia), down from 10 suppliers during this period last year.

MY 2022/23 Soft and Durum Imports

According to Trade Data Monitor, Algeria's average annual total wheat (durum and bread wheat) imports were about 7.6 million MT in the last five years. The table below shows, Algeria's total wheat imports originating mainly from EU countries, followed by Argentina, Canada, Ukraine, Mexico, and Russia emerging in MY 2021/22. Durum wheat usually originates from Canada, Mexico, and U.S. in smaller quantities.

Table 2: Algeria Total Wheat Imports by Origin (In MT & MY)

Reporter	2017/18	2018/19	2019/20	2020/21	2021/22	8M of 2021/22	8M of 2022/23	Δ %
EU 27 (Brexit)	4,620,169	5,418,967	6,080,006	5,941,183	5,356,578	3,206,991	2,297,103	-28%
Canada	934,758	1,192,862	372,615	1,001,560	614,184	345,174	461,391	34%
United States	390,964	436,751	274,448	187,875	33,900	33,900	80,981	139%
Argentina	1,756,759	358,821	-	92,360	815,680	721,180	-	-100%
Mexico	353,489	122,335	255,638	218,470	252,850	252,850	-	-100%
Ukraine	79,175	12,650	34,833	13,000	466,912	437,367	181,189	-59%
Russia	30,795	434	-	28,502	363,454	363,454	-	-100%
Others	5,862	29,583	96,716	31,748	117,665	64,892	71,514	10%
Total	**8,171,971**	**7,572,403**	**7,114,256**	**7,514,698**	**8,021,223**	**5,425,808**	**3,092,178**	**-43%**

Source: Trade Data Monitor, LLC

Algeria has always imported more bread wheat than durum as climatic conditions do not favor bread wheat production in Algeria. Bread wheat typically represented 75 to 80 percent of total wheat imports. The efforts undertaken to produce durum locally to reduce imports have shown improvements in recent years. During the last five marketing years, durum imports represented 15.5 percent of the imports down from the 20-22 percent range. Durum imports usually only increase when the domestic crop is affected by drought.

However, the TDM data in the table below show an increase in durum imports in MY 2020/21, correlating with reports of droughts and lower production. However, Post also notes that the persisting health crisis (COVID-19), and its repercussions on the cereal supply seemed to have pushed the government cereal procurement arm, the OAIC to accelerate and advance the date of its purchases on the international market to build up the necessary stocks.

Table 3: Algeria Durum Wheat Imports by Origin (In MT & MY)

Reporter	2017/18	2018/19	2019/20	2020/21	2021/22	8M of 2021/22	8M of 2022/23	Δ %
Canada	934,758	1,125,360	372,615	968,874	614,183	345,173	461,389	34%
Mexico	320,422	122,335	255,638	218,470	209,100	209,100	-	-100%
United States	113,494	130,672	62,723	125,127	33,900	33,900	80,981	139%
Australia	-	-	-	-	52,148	-	-	
Kazakhstan	5,000	-	-	-	-	-	-	
Ukraine	-	-	-	5,400	136	136	14,270	10400%
EU 27 (Brexit)	64,139	61,486	8,650	41,097	156,223	129,973	31,491	-76%
Total	1,437,813	1,439,853	699,626	1,358,968	1,065,690	718,282	588,131	-18%

Source: Trade Data Monitor, LLC

Barley

Post forecasts Algeria's 2023/24 MY barley imports at 400,000 MT. Post revised down its 2022/23 MY estimate to 400,000 MT in line with USDA figures, and trend data reported by the TDM. In addition, Post estimate takes into account higher production. As already noted, barley imports are correlated with domestic production and are driven by the livestock industry. This season, despite satellite imagery showing dry pockets in the highlands and western regions where barley is grown, farmers have been reporting good yields.

The figures below show barley imports kept increasing from 2019 to 2021 due to poor crops affected by consecutive dry years. In 2022, barley output was good according to farmers which led to a decrease in imports. Algeria imported only 1,601 MT in the first eight months of MY 2022/23. However, Post anticipates that imports will pick up in the remaining months of the year, as domestic production is not sufficient to meet domestic demand completely. On average, Algeria imported about 600,000 MT annually in the last five years.

Table 4: Algeria PSD Barley Imports by Origin in (MY & MT)

Reporter	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23***
EU 27 (Brexit)	265,267	222,810	272,060	561,156	600,566	5
United Kingdom	51,249	-	11,830	147,066	-	-
Russia	89,399	30,476	-	47,300	-	-
Argentina	7,550	-	-	-	88,340	-
Ukraine	114,320	70,502	274,949	78,903	83,081	-
Turkey	-	1,530	1,277	-	444	1,596
TOTAL	**527,785**	**325,318**	**560,116**	**834,425**	**772,431**	**1,601**

*Source: Trade Data Monitor, LLC; *2022/23 includes the first eight months.*

The EU-27 continued to be the strongest supplier of barley to Algeria in 2021/22. Meanwhile, imports from the United Kingdom completely zeroed out. Notably, Argentina emerged as the second leading supplier of barley to Algeria. In addition, the figures show that Ukraine remained the number three supplier of barley to Algeria despite the geostrategic situation.

Corn

Corn imports have always been driven by the poultry and livestock industry demand. Post believes that after three consecutive seasons of corn import declines, this season and next, corn imports will see a

resurgence owing to the government pushing for growth in the livestock sector, to increase meat and dairy production. In the first seven months of 2022/23 MY, from July 2022 through February 2023, corn imports reached over 2 MMT, below the five-year average of 2.5 MMT for the same time frame, but well above the 1.6 MMT recorded at this time last season.

The recent change in trend comes after a substantial decline registered in the last three seasons, from 5.3 MMT in 2019/20 to 3.1 MMT in 2020/21. Post believes that the Algerian corn demand has been down on the account of rising global corn prices, as well as rising freight costs. In addition, last season's imports from Ukraine decreased four-fold, as war disrupted supply and trade across the Black Sea region. In addition, the government is encouraging corn production in the south of Algeria (desert), and the plan for agriculture development included saving money from imports.

Table 5: Algeria PSD Corn Imports by Origin (MT)and (MY)

	2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**
Argentina	3,509,689	3,142,900	3,910,248	2,996,924	2,450,152
Brazil	436,350	662,873	369,481	991,848	541,209
Paraguay	155,879	-	-	28,420	-
Ukraine	30,207	676,354	942,458	420,241	130,860
EU 27 External Trade (Brexit)	4,059	37,668	16,664	638	455
United States	47,848	246	43,476	181,224	20
Other	295	624	442	675	5,585
TOTAL	**4,184,327**	**4,520,665**	**5,282,769**	**4,619,970**	**3,128,281**

Source: Trade Data Monitor, LLC

Argentina remains the number one supplier of corn to Algeria followed by Brazil. Argentina and U.S. still compete over prices and qualitative aspects and specifications. Algeria’s preference for some qualitative aspects and specifications of Argentine corn (color and absence of dust and foreign material) maintains Argentina as the primary supplier of corn to Algeria.

DDGS

Despite successful trials using Dried Distillers Grains with Soluble (DDGs) in the past, the high duties (30 percent) continue to discourage imports and the use of DDGs. The livestock industry is not familiar with using DDGs in feed, however, commercial breeders report using brewer’s spent grains from the limited beer production in the country.

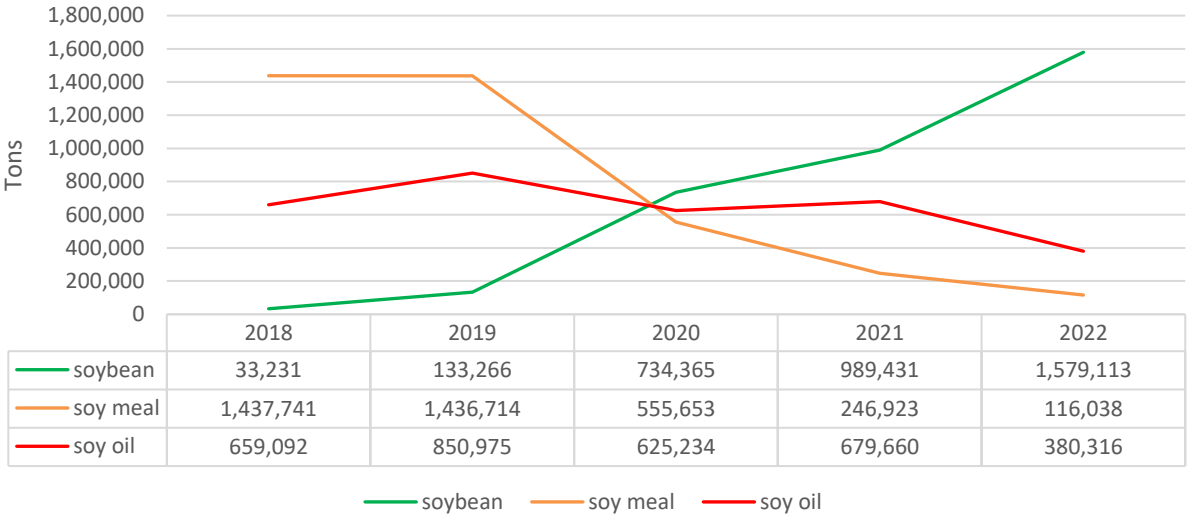
Soybean and Soybean Products

Demand for soybeans is mostly driven by the poultry feed industry in Algeria. Over the last several years, the crush capacity has increased significantly in Algeria, pushing imports towards raw beans, rather than meal and oil. Soybean meal is now produced locally, and soybeans imports are taking over the market.

Algeria's Soybean Crush Capacity to Triple in 2023

As of the end of 2022, Algeria's had two crush plants in operation: one with a 3,600 MT per day crush capacity, and another crushing plant with a 2,000 MT crush capacity. Local trade sources report that a private corporation oilseed crushing plant with a capacity to process 11,000 MT of soybeans per day will begin production at the end of April 2023. Once operational, the three crush plants will vault Algeria's crush capacity to over 16,000 MT per day. Trade Data Monitor data shows a significant increase in soybean imports to Algeria totaling close to 1.6 MMT in 2022. The key suppliers are Brazil (921 thousand MT) and the United States (380 thousand MT).

Chart 7: Algeria's Soybean and Soy Product Imports

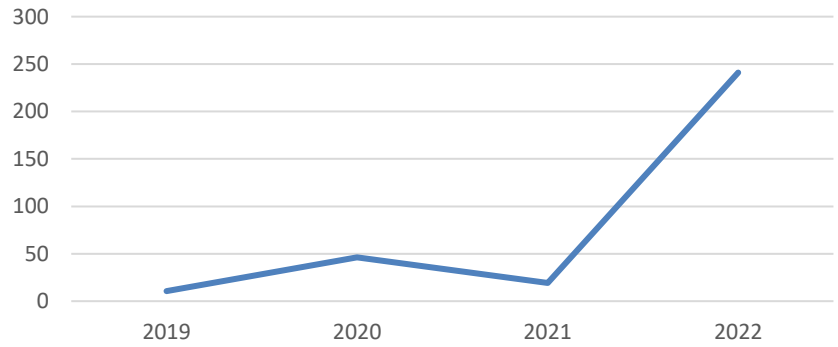


	2018	2019	2020	2021	2022
soybean	33,231	133,266	734,365	989,431	1,579,113
soy meal	1,437,741	1,436,714	555,653	246,923	116,038
soy oil	659,092	850,975	625,234	679,660	380,316

Source: Data from TDM, Chart OAA Algiers

The Global Agricultural Trade System (GATS) shows U.S. exports of soybeans started in 2019 with ($10.6 million) and increased to $46.1 million in 2020, then jumped to $241 million in 2022. This upward trend in soybean imports should continue given the crushing capacity coming online this year.

Chart 8: U.S. Exports of Soybeans to Algeria (in USD)



Source: The Global Agricultural Trade System (GATS)

The table below shows that soybean meal import volumes are declining. The figures below show Argentina's imports declined by 61.37 percent. The Global Agricultural Trade System (GATS) as well as the Trade Data Monitor report that there have been no imports of U.S. soybean meal to Algeria in CY2018 and CY2019. However, some imports resumed in CY2020. The lack of price competitiveness and consumer preference toward Argentine qualitative aspects and specifications have always hampered U.S.-origin soybean meal imports.

Regardless, Post believes that soybean meal imports will continue to decrease given the additional crushing capacity coming online in 2023. Soybean meal is not exempt from VAT. In addition, soybean meal's VAT increased in 2017, from seven to nine percent as a part of the fiscal measures. Soybean meal is not on the list of products subject to the Temporary Additional Safeguard Duty (DAPS).

Table 6: Algeria Soybean Meal Imports by Origin (MT)

Reporter	**Annual Series (UOM1: T)**					
	2017	**2018**	**2019**	**2020**	**2021**	**2022**
Argentina	1,191,354	1,384,216	1,404,902	540,753	208,873	114,671
EU 27 (Brexit)	13,931	11,839	1,017	13,852	760	635
Serbia	90	106	176	176	308	132
Turkey	45	0	0	0	0	0
United States	15,108	0	0	0	36,029	0
Brazil	38,496	0	0	0	0	0
Paraguay	29,744	40,742	29,793	0	0	0
Total	**1,288,768**	**1,436,903**	**1,435,888**	**554,781**	**245,970**	**115,438**

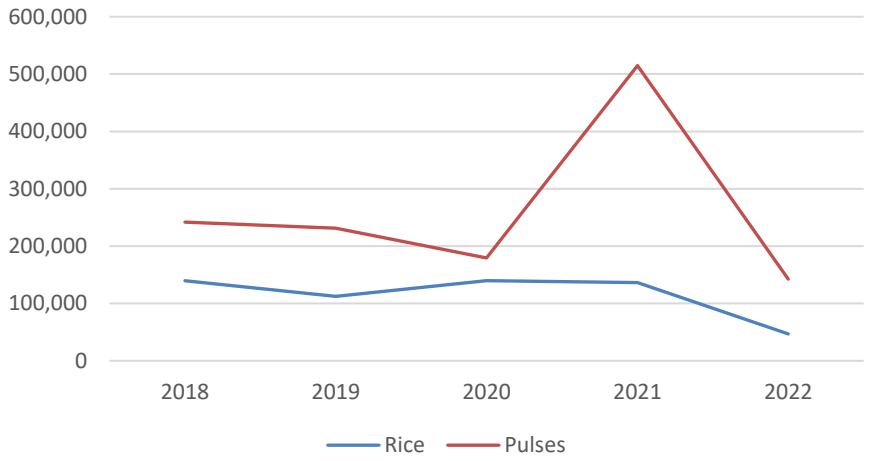
Source: Trade Data Monitor, LLC

Pulses and Rice

Although wheat remains the dominant food staple, pulses are also a traditional part of the Algerian diet. Pulses are consumed much more in Algeria, than for example rice. Pulses are considered also a staple but to less extent than cereals and potatoes. Algeria's imports of pulses are mostly beans, lentils, chickpeas, and beans for seeding.

Rice has been introduced into the Algerian diet in recent years. It comes behind pasta and couscous and pulses. Rice imports have increased in the past decade alongside population growth. However, imports are irregular as they are price dependent. Private importers used to take advantage of good prices to buy rice in small containers.

Chart 9: Algeria Imports of Pulses & Rice
(in MT & CY)



Source: Trade Data Monitor, Chart OAA Algiers

In 2021, Algeria saw a big influx of pulse imports, owing almost entirely to a spike in shipments from Egypt, probably due to a good price advantage. In 2022, Egypt has not reported data on pulse exports to Algeria, and as such, the total imports are down significantly from the previous year. In addition, in 2022 pulse imports were also absent from Mexico and Russia, which were small but important suppliers to Algeria in the previous years.

In 2022 import volumes of these two commodities decreased overall a policy to control imports. This will most likely continue following the new measure that the GOA undertook recently. Starting from February 09, 2023, OAIC has been granted the exclusive rights to import pulses and rice. As of that date, pulses and rice imports are prohibited by other private operators, either for resale as such or for their use. (See Policy section for expanded discussion).

Post anticipates that the main suppliers of pulses will remain the same as in the last five years, Canada, Turkey, and Argentina. The Algerian pulse market is price sensitive and U.S. prices are not competitive with other origins. U.S.-origin imports slightly decreased by 20 percent in 2022. U.S. market share went down from 2.78 percent in 2020 to 0.77 percent in 2021.

Table 7: Algeria Pulse Imports by Origin
(in MT & Calendar Year)

Reporter	**2018**	**2019**	**2020**	**2021**	**2022**
Canada	74,517	62,796	60,543	70,612	77,296
Turkey	19,615	27,244	24,528	27,624	33,090
Argentina	33,818	48,059	11,922	34,625	25,396
India	36,576	35,874	21,817	5,325	8,510

United States Consumption	3,347	2,616	4,973	4,002	3,195
Brazil	0	72	265	0	1,562
New Zealand	2,074	1,400	1,459	1,660	1,440
EU 27 External Trade (Brexit)	2,593	2,111	1,721	1,463	1,297
Egypt	31,375	18,559	21,936	321,032	n/a
Mexico	33,789	22,676	27,268	39,010	n/a
Russia	1,282	9,832	1,585	7,622	n/a
Other	2,906	98	735	1,047	71
Total	**241,892**	**231,337**	**178,752**	**514,022**	**151,857**

Source: Trade Data Monitor, LLC

Stocks

U.S. suppliers of silos and equipment could benefit from the opportunity that the GOA wants to increase storage capacities. On January 13, 2022, the Minister of Agriculture, Abdelhafid Henni indicated during the Nation's Council plenary that his sector was working to increase the OAIC storage capacity currently at 28 million quintals (2.8 MMT) to 3.2 MMT. In 2012, the GOA launched a project of silos construction to increase OAIC's storage capacities. The goal was to build 30 storage silos. Sixteen have been built while the remaining 14 are experiencing a delay in completion.

Policy

On February 9, 2023, the Algerian Ministry of Commerce informed the Association of Banks and Financial Institutions (ABEF) that going forward the GoA procurement office, the OAIC, has exclusive rights to import pulses and rice. This measure comes after an announcement by President Abdelmadjid Tebboune back in April 2022, entrusting the OAIC with the import of pulses. At that time, the President had also ordered an increase in the purchase price of pulses: by 3,000 AD/quintal for beans and lentils and 2,000 AD/quintal for chickpeas. The increase in purchase prices was meant to encourage production.

In January 2022, the GOA also increased domestic procurement prices for grains from farmers. The OAIC cooperatives buy durum wheat from farmers at 60,000 AD, ($422.53) per metric ton, bread wheat at 50,000 AD ($352.11) per metric ton, and barley and oats at 34,000 AD ($239.43) per metric ton. Again, this decision was meant to encourage grain collection and improve production.

Previously the government increased procurement prices of the domestic wheat crop from farmers to a level competitive with international market prices in 2008. The objective was also to increase wheat production and encourage grain collection. The OAIC cooperatives were buying durum from farmers at

45,000 AD ($316.90) per metric ton, bread (common) wheat at 35,000 AD ($246.47) per metric ton, and barley at 25,000 AD ($176.05) per metric ton. These prices are based on an official exchange rate of $1=142 AD (Algerian Dinars).

Marketing

In addition to the cooperators that are active in Algeria (U.S. Wheat Associates (based in Casablanca, Morocco), the U.S. Grains Council (based in Tunis, Tunisia), and the U.S. Soybean Export Council and U.S Livestock and Genetics Export (both based in the U.S.), FAS would like U.S. companies interested in the Algerian market to consider participating in Algeria's domestic shows to promote U.S. agricultural products. FAS Algiers regularly participates in the International Food and Agribusiness Show (SIAG) in Oran (the second largest city in Algeria) usually in March, and the (SIPSA Show (Agri-business and Livestock Trade Exhibition) in Algiers usually in October. Please contact us at AgAlgiers@usda.gov.

Table 8: Wheat, Production, Supply, and Distribution

Wheat	2021/2022		2022/2023		2023/2024	
Market Year Begins	**Jul 2021**		**Jul 2022**		**Jul 2023**	
Algeria	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	2075	2075	2075	2075	0	2075
Beginning Stocks (1000 MT)	4992	4992	4406	4411	0	4059
Production (1000 MT)	2500	2500	3700	3300	0	3300
MY Imports (1000 MT)	8286	8021	8200	7500	0	8200
TY Imports (1000 MT)	8286	8021	8200	7500	0	8200
TY Imp. from U.S. (1000 MT)	34	53	0	50	0	50
Total Supply (1000 MT)	15778	15513	16306	15211	0	15559
MY Exports (1000 MT)	2	2	5	2	0	2
TY Exports (1000 MT)	2	2	5	2	0	2
Feed and Residual (1000 MT)	70	50	70	50	0	50
FSI Consumption (1000 MT)	11300	11050	11300	11100	0	11150
Total Consumption (1000 MT)	11370	11100	11370	11150	0	11200
Ending Stocks (1000 MT)	4406	4411	4931	4059	0	4357
Total Distribution (1000 MT)	15778	15513	16306	15211	0	15559
Yield (MT/HA)	1.2048	1.2048	1.7831	1.5904	0	1.5904

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

Table 9: Barley, Production, Supply and Distribution

Barley	2021/2022		2022/2023		2023/2024	
Market Year Begins	**Jul 2021**		**Jul 2022**		**Jul 2023**	
Algeria	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	1025	1025	1025	1025	0	1025
Beginning Stocks (1000 MT)	359	359	131	131	0	81
Production (1000 MT)	950	950	1600	1400	0	1400
MY Imports (1000 MT)	772	772	400	400	0	400
TY Imports (1000 MT)	688	688	400	400	0	400
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2081	2081	2131	1931	0	1881
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	1600	1600	1600	1500	0	1500
FSI Consumption (1000 MT)	350	350	350	350	0	350
Total Consumption (1000 MT)	1950	1950	1950	1850	0	1850
Ending Stocks (1000 MT)	131	131	181	81	0	31
Total Distribution (1000 MT)	2081	2081	2131	1931	0	1881
Yield (MT/HA)	0.9268	0.9268	1.561	1.3659	0	1.3659

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Barley begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Attachments:

No Attachments