Required Report: Required - Public Distribution **Date:** March 22, 2024

Report Number: AG2024-0002

Report Name: Grain and Feed Annual

Country: Algeria

Post: Algiers

Report Category: Grain and Feed

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Report Highlights:

Good vegetation conditions in the east and center regions in Algeria bode for a rebound in MY 2024/25 wheat harvest. However, if precipitation changes, this could affect crop development. Post estimates bumper wheat imports for MY 2023/24, as Russia emerged as key supplier of wheat to Algeria.

Executive Summary

Post anticipates wheat and barley production in marketing year (MY) 2024/25 to recover from the poor harvest estimated for the current season. However, rains were late again this year which led most of the Algerian farmers to begin planting their MY 2024/25 crop in November 2023. Consecutive drought years made it impossible for farmers to start sowing early with the exception of irrigated plots. The vast majority of Algeria's crops are produced with rain.

Overall vegetation conditions in the east and center look normal. The Normalized Difference Vegetation Index (NDVI) imagery as of the end of February 2024, shows a normal vegetation index on the central and eastern regions, while the western region and the high lands regions show a below normal NDVI. If adequate precipitation continues in the upcoming month, this bodes for a good harvest at this point. However, changes in climatic conditions could affect crop development.

Overall, wheat and barley crops are usually grown in the north of Algeria. Post believes that cereal production will continue to expand in the Sahara, albeit the coastal, Mediterranean regions will remain the main producers.

Post anticipates that wheat consumption will remain relatively stable with trend growth for the near future as the milling sector that comprises about 432 mills has been stable and has not seen any major change in several years.

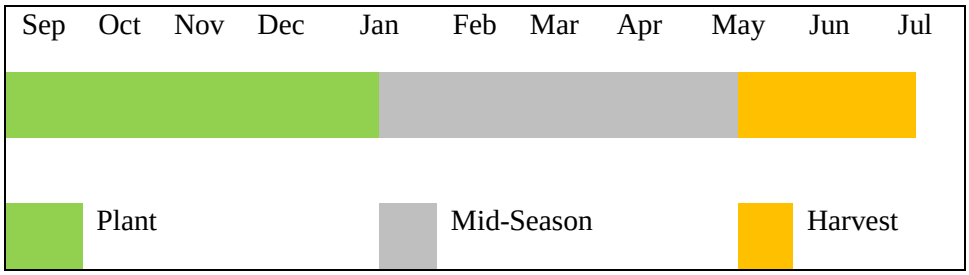
Post forecasts wheat imports at 8 million metric tons (MMT) for MY 2024/25. Post anticipates that next season's import levels will decrease on the bumper imports registered for MY 2023/24 based on projected harvest and consumption forecasts. For MY 2023/24, Post import estimates are based on the emergence of Russia as a key wheat supplier to Algeria.

Trade figures show changes in top five wheat suppliers to Algeria, with emergence of Russia significantly cutting into the EU market share.

PRODUCTION

In Algeria, most of the wheat and barley planting in the main zones takes place between September and December. The growing season runs from January to mid-May, and harvest begins in early summer. In 2023, the Ministry of Agriculture (MOA) brought the plantings forward from October to September in anticipation of benefiting from possible early rains. However, consecutive drought years made it impossible for farmers to start sowing early with the exception of irrigated plots. The vast majority of Algeria's crops are produced with rain irrigation.

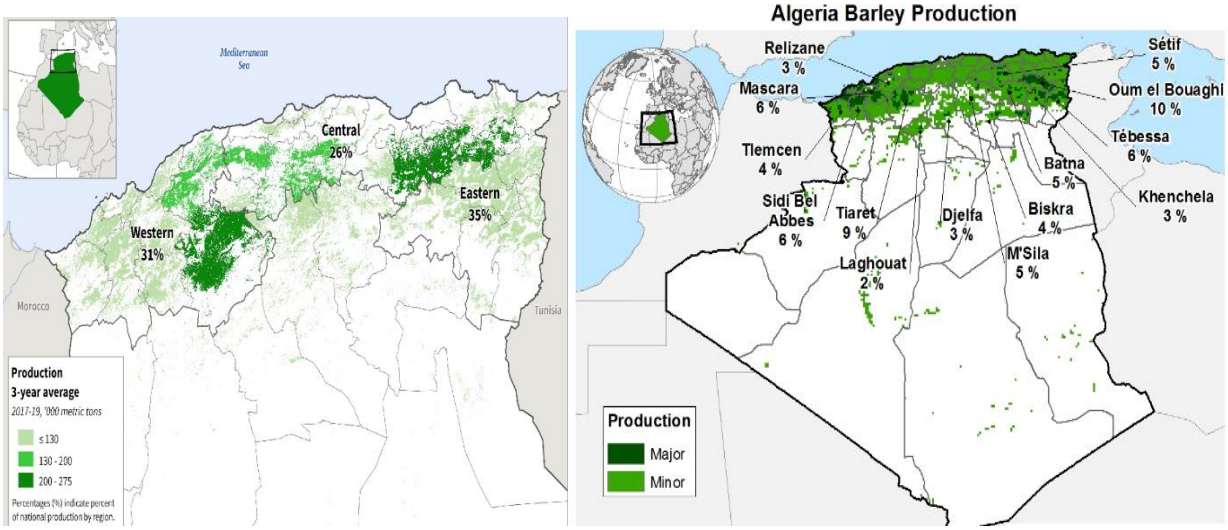
Figure 1: Algeria's Wheat and Barley Crop Season Calendar



Source: Post Algiers Chart

Wheat and barley crops are usually grown in the north of Algeria. According to the latest available data from the MOA, 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 come from the center. Barley crop is grown in the north of Algeria widely spread from the west to the east in the highlands and Mediterranean coast.

Figure 2: Algeria Wheat and Barley Crop Growing Land



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

In the last few years, cereal crop land has expanded to the south of Algeria in the desert 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, Mediterranean regions will remain the main producers in the foreseeable future seasons.

Post anticipates that Algeria's wheat and barley harvested areas will remain unchanged in MY 2024/25 from the previous season. MY 2024/25 covers the crop sown in the fall 2023 and harvested in summer of 2024; this crop will be commercialized in subsequent months until the next harvest starts to come online in June 2025.

Government Incentives to Increase Planted Area:

The MOA continues to prioritize development of domestic cereal production. The Minister of Agriculture, Youcef Chorfa, reported in December 2023, during a meeting with all the executives of the agricultural sector that the MOA has provided all the conditions to raise the area allocated to grains (wheat, barley, and other crops such as oats) to 3 million hectares (ha) for this planting season. Post believes that Algeria's planted area has held steady at 3 million ha in recent years, with roughly 2 million ha devoted to wheat and 1 million ha to barley.

Post believes that the MOA widely distributes subsidized certified seeds, fertilizers, and technical and financial resources to farmers ahead of planting. Furthermore, this year, the MOA, by the President's instruction, provided fertilizers and seeds free of charge to the farmers affected by last season's drought in 34 provinces in addition to deferring their loans payment to three years. Moreover, to cope with the lack of rain, the MOA facilitated paperwork to authorize digging of wells. This season again, the MOA encouraged production of durum wheat, barley, corn and oilseeds in the southern provinces, where ground water is available. The MOA encourages the use of supplemental irrigation in the northern provinces affected by the lack of rain.

Production of feed crops (alfalfa, corn, oat) remains limited to when market prices are high. For the most part, despite the climatic conditions posing difficulties with irrigation, farmers still opt to plant wheat, barley and pulses as it is supported by the government.

As outlined in previous reports, in January 2022, the government of Algeria (GOA) increased again the domestic grains purchase prices from farmers to increase cereal production, encourage collection of grains, and improve production. The Algerian Office of Cereals (OAIC) cooperatives buy durum wheat from farmers at 60,000 A.D, ($447.76) per metric ton, bread wheat at 50,000 A.D ($373.13) per metric ton, and barley and oats at 34,000 A.D ($253.73) per metric ton. These prices are based on current official exchange rate of $1=134 A.D. (Algerian Dinars). The table below shows International Grains Council (IGC) wheat and barley sub-indexes – tracking commodity prices in the international market – and the OAIC domestic purchase prices per ton.

Table 1: International Grains Council Sub Indexes and OAIC Purchase Prices per Ton

	14-Mar	52 week low	52 week high
OAIC durum wheat purchase p	$ 448	$ 448	$ 448
OAIC bread wheat purchase pr	$ 373	$ 373	$ 373
IGC Wheat sub index	198	198	263
OAIC barley purchase price	$ 254	$ 254	$ 254
IGC Barley sub index	203	200	285

Source: International Grains Council sub index for wheat and barley as of March 14, 2024, and 2022 OAIC purchase prices which remain in place as of March 14, 2024. Post Algiers chart

Planted Area Already at Maximum:

Despite the government's efforts to increase planted area, Post believes that the majority of Algerian farmers already plant the maximum area in their holding, but do not seek to expand it due to climate conditions and complicated land ownership structure. Post believes that commercial scale crop farming is growing in the Southern arid zones, but so far, not enough to make a noticeable impact on total area planted.

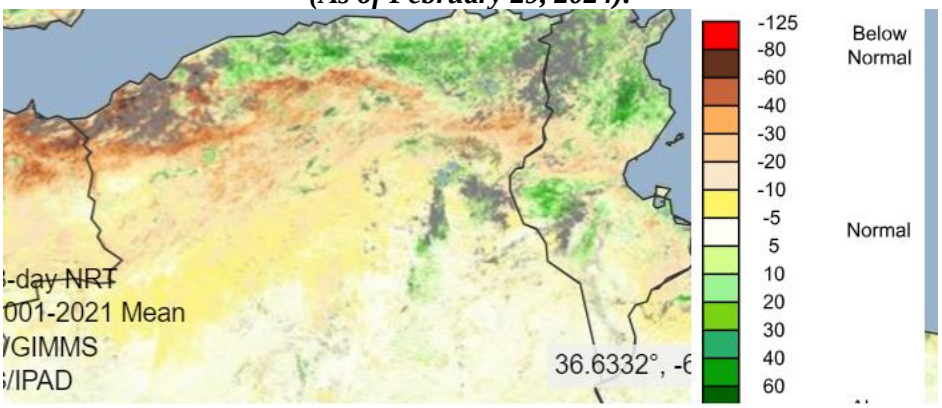
Large swathes of Algeria's crop land are rain irrigated and as such, precipitation and soil moisture are very important during planting as well as during plant maturation. The irrigated areas devoted to cereals are estimated at just about 10 percent of the total land in production, or 250,000 hectares. The MOA's program for expansion of irrigated agricultural areas is targeting an increase from 1.3 million hectares (ha) to 2 million hectares, of which 600,000 ha will be devoted to cereals. However, Post does not anticipate that irrigation progress will make an impact on planted area in the coming season.

MY 2024/25 Crop Conditions

Rains were late again this year which led most of the Algerian farmers to begin planting their MY 2024/25 crop in November 2023 instead of September as MOA recommends.

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 in Algeria. The NDVI imagery as of February 29, 2024, shows a normal vegetation index on the central and eastern regions, while the western region and the highlands regions show a below normal NDVI.

Chart 1: Algeria USDA Crop Explorer Normalized Difference Vegetation Index (As of February 29, 2024):



Source: Crop Explorer (https://ipad.fas.usda.gov/cropexplorer/)

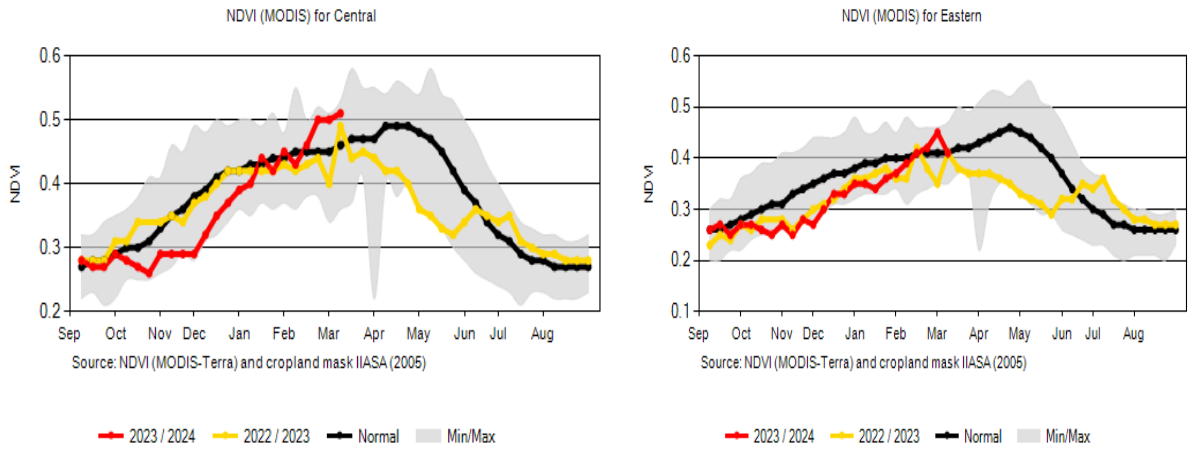
As of the first week of March, according to the oversight and operations at the National Reservoir Agency (ANBT), water reservoirs across Algeria were over one third full on average. ANBT reports that in the East of the country reservoirs are around 66 percent full, those in the Center are 27 percent full and those in the West are 19 percent full. Notably, a number of Eastern regions are important producers of wheat and barley:

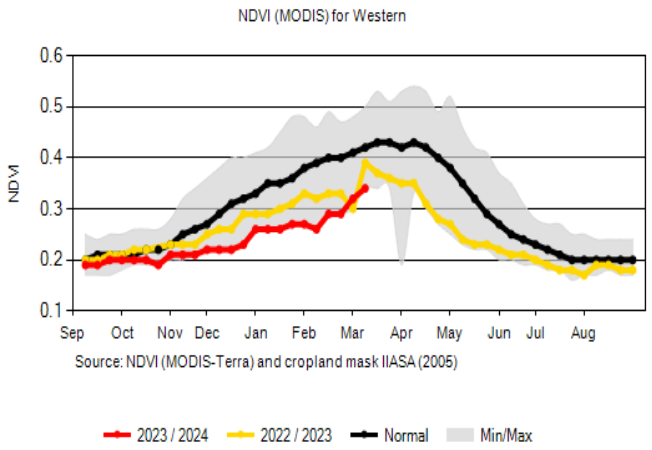
- Médéa wheat planted area covers between 70,000 to 100,000 ha; and
- Relizane, Ain Defla, Chlef, Bouira, Tissemsilt are wheat areas in the 40,000 to 70,000 ha range;
- Medea, Relizane, Ain Defla, Chlef, Bouira are also barley growing areas with 15,000 to 35,000 ha allocated.

The historical NDVI charts as of March 04, 2024, confirm that vegetation conditions in the eastern region where both wheat (35 percent) and barley (40 percent) are grown and central region with wheat grown at (26 percent) were lower than last season's level from October through January, but rose above last year's and the average levels starting in the end of January and through February. Overall vegetation conditions in the east and center bode for a good harvest at this point. However, changes in precipitation could still impact crop development.

The vegetation conditions remain significantly below the normal average and at the lower limit of the Min/Max for western region even worse than last year's conditions. The NDVI is particularly key for barley in the western region, as roughly 40 percent of the country's domestic production is concentrated here.

Chart 2: Normalized Difference Vegetation Index (NDVI) by region (as of March 04, 2024):





Source: Crop Explorer (https://ipad.fas.usda.gov/cropexplorer/)

**Note that the 2023/24 red line refers to the crop planting, growing period, and harvest dates, and not the USDA marketing year. As such, the 2023/2024 redline reflects crop conditions for the 2024/25 MY crop.*

Interlocutors in western Algeria confirm the drought plaguing in this region. Farmers who planted wheat durum in October-November timeframe complain that seeds did not geminate yet. Only the ones that have irrigation have their crop at the tillering stage, either for wheat or barley and alfalfa. Farmers are increasingly switching to supplemental irrigation as it is supported by the MOA. However, this depends on the farmer's financial situation. The MOA supports water-saving irrigation equipment acquisition by 50 percent subsidy for individual farmer, and 60 percent subsidy for collective acquisition.

Grain Production

Post revised up MY 2024/25 wheat production forecast to 3 million metric tons (MMT) and barley production to 1.4 MMT as vegetation conditions in the east and center bode for a good harvest at this point. Forecast may be revised if changes in precipitation impact crop development. Post maintains the wheat and barley production forecasts for MY 2023/24 until the official figures are released. Post also maintains production figures for MY 2022/23.

The MOA has not released any detailed production forecasts for MY 2024/25. A press release in October 2023 reported some figures for cereal production for the previous season. According to the article, cereal production in the summer of 2023 reached 30 million quintals (3 MMT), with an average yield of 50 to 60 quintals/ha recorded in the southern wilayas, with peaks of 85 quintals/ha. The article also noted that 13 percent of the cereal areas in the northern provinces have used supplemental irrigation in this period of drought. At least 90,000 farmers in 34 provinces were affected by drought, with an affected area estimated at 1.2 million hectares and a water deficit of 90 percent in most provinces in the north of the country. Interlocutors in the western coast region, indicate that last year many of them did not harvest, but had to leave their poor crop for grazing for sheep.

The government press release also indicates that the overall cereal production in the summer of 2023 (equivalent to USDA MY 2023/24) was down compared to the 2022 summer harvest campaign (equivalent to USDA MY 2022/23) during which production exceeded 40 million quintals (more than 4MMT).

Post does not anticipate changes to the ration of wheat and barley production. Farmers tend to grow several different cereals, pulses, and feed grains on their land, practicing switching between wheat and another crop from one year to the next. Algeria's climate is more suitable for durum wheat production. Post estimates that in the last 10 years, Algeria produced on average 2.3 MMT of durum wheat per year and 0.63 MMT of common (bread) wheat per year.

CONSUMPTION

Algeria remains a major consumer of cereals and wheat is considered a main food staple. As of 2023, Algeria's annual wheat consumption is estimated at around 285 kilograms (kg) per capita, one of the world's highest. Algeria is also the leading wheat consumer in the Maghreb region; in 2022 Maghreb consumption was an average 254 kg/year.

In the last 10 years, Algerians consumed an average of 100 kg/year per capita of durum wheat, and an average of 170 kg/year per capita of bread wheat. Durum wheat is used to produce pasta and couscous. Bread (common) wheat is mainly used to produce bread. Consumer associations continue to sensitize consumers to decrease 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.

High government bread and semolina subsidies drive consumption but limit private sector growth. Despite heavy staple food subsidies, food accounts for 43 percent of total household expenditures. Food inflation was 8 percent in 2021 and went up to 10.8 percent in 2022. Algeria's current subsidy level makes private wheat imports for price-controlled products challenging. Value-added products like pasta and cookies are not price controlled, which explains demand growth from private millers in soft wheat product and pasta manufacturing and provides an opportunity for US wheat imports.

The milling sector that comprises about 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 trend growth for the near future. Post forecasts total wheat consumption at 11.25 MMT for MY 2024/25. Post maintains total wheat consumption at 11.15 MMT for MY 2022/23 and 11.20 MMT in MY 2023/24.

Barley is mainly consumed as grain in animal feed by sheep, cattle, and camels, with small amounts consumed as green fodder. Minor amounts are used for traditional foods such as couscous and bread. Algeria's very small brewery sector consumes limited 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 feed. With the increase in animal numbers, particularly sheep, consumption has trended upward since 2000. For MY 2024/25 Post forecasts barley consumption flat on the current season. Post revised down the estimate for barley consumption for MY 2023/24, due to substitution from other crops, such as corn.

TRADE

Although the GOA is focused on increasing cereal production, wheat imports continue to lead Algeria's total food imports. Over the last five years, Algeria's wheat imports have hit as high as $2.4 billion on the annual basis.

Wheat

Post forecasts wheat imports at 8 MMT for MY 2024/25. Post anticipates that import levels will decrease on the current season based on projected better harvest. As noted in the production section, crop conditions overall are so far improved in the west and central parts of the country, and worse in the eastern areas. If rains pick up in the eastern part of the country, the overall production may increase which would further negatively impact imports. Imports are generally a function of shortfall in production. Post forecast incorporates trend consumption growth. Bread is the main food staple in Algeria, and consumer demand has held steady with population growth notwithstanding any changes in the economic factors.

If Post forecast for MY 2024/25 and estimate for the MY 2023/24 wheat imports materialize it will be the highest import volumes since the 2016/17 season when imports hit 8.4 MMT. Post estimate for MY 2023/24 is based on the existing shortfall in production and stable consumer demand as well as on private trade reports of strong pace of imports by the government-run procurement agency, the Algerian Office of Cereals (OAIC) so far this season. The OAIC is the sole importer of wheat into Algeria.

Note that Algeria does not release the results of its tenders; Algerian customs also does not release trade statistics. Trade Data Monitoring (TDM) data is based on customs information from markets exporting to Algeria. Reports are based on trade estimates.

MY 2023/24 Wheat Imports Rise Above Trend

According to data reported to TDM, Algeria's average annual total wheat (durum and bread wheat) imports were about 7.4 million MT from 2018/19 through 2021/22. During that time frame, Algeria relied primarily on EU wheat. Algeria has historically imported wheat from France, Germany, Spain, Canada, the United States, Argentina, Uruguay and Mexico. Over the course of 2022/23 and 2023/24, TDM shows wheat exports to Algeria shrinking substantially. However, Post believes that with addition of data from several countries – most notably Russia - not currently reporting to TDM, Algeria's imports would be above 8 million metric tons for MY 2023/24 and for MY 2024/25.

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

Reporter	MY2018/19	MY2019/20	MY2020/21	MY2021/22	MY2022/23
EU 27 External Trade (Brexit)	5,418,967	6,080,006	5,941,183	5,356,578	4,286,068
United States	436,751	274,448	187,875	33,900	193,251
Mexico	122,335	255,638	218,470	252,850	-
Canada	1,192,862	372,615	1,001,560	614,184	1,201,903
Argentina	358,821	-	92,360	815,680	-
Australia	-	-	-	52,148	30,348
Ukraine	12,650	34,833	13,000	466,912	181,189
United Kingdom HMRC	-	95,000	-	-	58,855
Uruguay	29,000	-	31,498	63,748	-
Turkey	407	860	219	1,731	16,095
Brazil	-	-	-	-	31,500
Russia	434	-	28,502	363,454	-
Others	176	856	31	169	5
TOTAL	**7,572,403**	**7,114,256**	**7,514,698**	**8,021,354**	**5,999,214**

Source: Trade Data Monitor, LLC

Table 3: Algeria Total Wheat Imports in July-Jan 2022/23 and July-Jan 2023/24

Reporter	Jul-Jan 2022/23	Jul-Jan 2022/24	Δ 5 months of 2022/23 vs 2023/24
EU External Trade (Brexit)	2,703,421	1,698,062	-37%
Canada	461,391	324,268	-30%
United States	80,981	189,637	134%
Turkey	8,512	185,102	2075%
Australia	-	51,737	-
Ukraine	181,189	31,967	-82%
United Kingdom	31,500	-	-
South Korea	-	-	-
TOTAL	**3,466,994**	**2,480,773**	-37%

Source: Trade Data Monitor, LLC

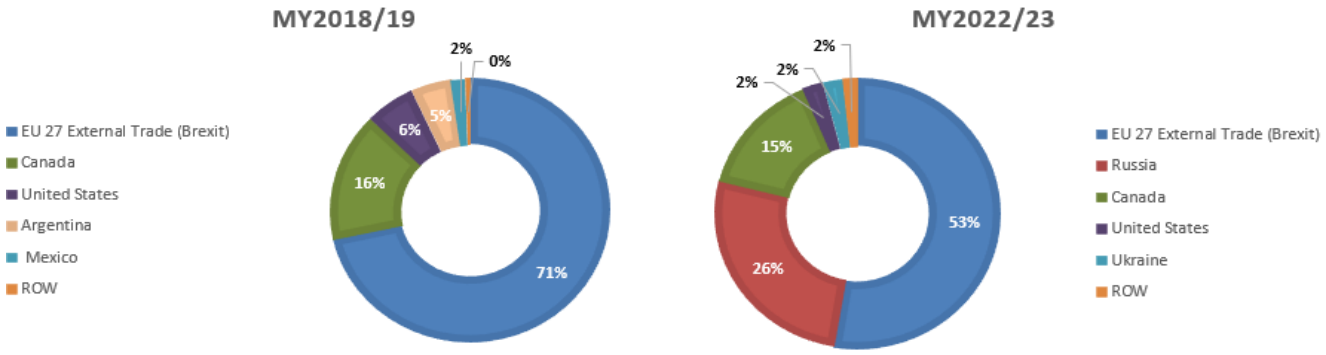
Russian Wheat Emerges as Key to Algerian Supply

Algeria is one of the leading bread wheat importers in the Maghreb. In recent years, Algeria's government buyer OAIC 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 war in Ukraine, Algeria has intensified its efforts to diversify suppliers against a backdrop of high wheat prices and substantial global trade volatility. Traditionally, majority of

the bread wheat was imported from Europe, however, in recent seasons Russia has emerged as a key supplier.

Based on pace of trade, private trade reports, and data from Reuters Refinitiv, Post believes that Russian wheat supplies add several MMT to Algeria's wheat imports each MY, from estimated 2022/23 through forecast MY 2024/25. The below chart shows the changes in top five wheat suppliers to Algeria, with emergence of Russia significantly cutting into the EU market share.

Chart 3: Top Five Wheat Suppliers to Algeria by Market Share MY 2018/19 vs MY 2022/23



Source: Markets data sourced from TDM for all but Russia; Russian wheat exports data sourced from Reuters Refinitiv; Post Algeria chart

TDM data does not currently reflect Algeria's wheat imports from Russia. Trade reports indicate that the OAIC typically sources optional origin wheat, meaning that traders may supply wheat of any origin as long as it meets other requirements set out in the tender. According to the trade press, Algeria has continued to bring in Russian bread wheat throughout the conflict in the Black Sea region. Reuters Refinitiv trade data indicates that Russia exported just over 2.1 MMT to Algeria in MY 2023/24.

Russia has been aggressively expanding its grain presence in the Algerian market. Algerian press has reported that the OAIC seems to be satisfied with wheat from Russia, publicly confirming that the protein levels of Russian wheat deliveries were satisfactory and that the specific weights have been higher on average than those coming from the EU. The press further indicated that the OAIC has been satisfied with the bug damage rates, which range 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 bug-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 regular basis.

News reports indicate that according to the head of the agricultural market analysis department of Rusagrotrans and the main Russian agricultural freight forwarder, Igor Pavensky, Russia exported 1.6 million MT of wheat to Algeria between July 2023 and January 2024, marking a 20 percent increase

compared to the same period the previous year, when 1.33 million MT had been shipped. Meanwhile, Reuters Refinitiv trade data for July 2023- February 2024 indicate Russian shipments to Algeria hit almost 1.7 MMT. Post believes that those figures are likely accurate. Note that breakdown of durum and bread wheat exports from Russia is not available. However, traditionally, Russia has mostly exported bread wheat to Algeria.

Once Post incorporates above data into TDM figures, during the first six months of the MY 2023/2024, Russia rose to the rank of leading wheat supplier to Algeria, even surpassing EU countries, including France. Russia exported at least 400,000 MT more wheat than the EU, traditionally considered the main supplier of wheat to the Algerian market. European Commission data confirms this trend, revealing that Algerian wheat imports from the EU amounted to 1.2 million MT during the period considered, mainly from Romania and Bulgaria.

Post anticipates that strong pace of wheat shipment from Russia will continue, and exports are forecasted upwards. The Russian association of Wheat Exporters estimate the export potential to reach 3 million MT this season.

Overall, shipments from Europe and Ukraine are down, which is not surprising given the ongoing conflict in the Black Sea region. The largest decrease in the total volume of shipments has been from Ukraine and Argentina in MY 2022/23 and MY 2023/24. Aside from Russian shipments, the decrease in supplies from traditional partners has been couched to an extent with strong shipments from Canada and the United States. The U.S. industry figures suggest that for the first half of the MY 2023/24, U.S. wheat exports have reached 190,000 MT representing all durum wheat, with an additional 30,000 sold but not yet shipped, according to USDA Export Sales Reporting. Poor durum harvests in Canada and the EU most likely led to the bumper U.S. durum exports so far this season. The U.S. wheat exports also likely benefited from weakening U.S. dollar.

Durum Wheat

Durum wheat makes up an average 20 percent (representing about 1.7 MMT) of Algeria's total wheat imports. As mentioned in the production section, Algeria's climate is better suited for the production of durum wheat. In addition, Algeria's durum consumption is lower. These two factors account for lower durum wheat import volumes. Notably, durum wheat usually originates from Canada, Mexico and from United States with smaller quantities.

The efforts undertaken to produce durum locally to reduce imports have shown improvements in recent years. During the last five marketing years, durum imports fell from around 20 percent to around 16.5 percent (1.2 MMT) of the imports. Durum imports usually only increase when domestic crop is affected by drought.

For example, the TDM data in the table below shows an increase in durum imports in MY 2022/23, as the domestic crop was affected by drought. In MY2020/21, the persisting health crisis (COVID-19), and its repercussions on the cereal supply seemed to have pushed the OAIC to purchase on the international

market to build up the necessary stocks. Post believes that Mexico emerged as a key supplier of durum wheat to Algeria in MY2022/23. Although TDM data shows zero durum imports from Mexico, based on private industry reports, Post believes that number to be in the vicinity of 500,000 – 600,0000 metric tons for 2022/23. Post anticipates that durum wheat imports from Mexico will continue at a robust pace in MY 2023/24, possibly surpassing 600,000 MT.

Table 4: Algeria Durum Wheat Imports by Origin (In MT & MY)

Reporter	2018/19	2019/20	2020/21	2021/22	2022/23
Canada	1,125,360	372,615	968,874	614,183	1,201,901
Mexico	122,335	255,638	218,470	209,100	-
United States	130,672	62,723	125,127	33,900	193,251
EU 27 External Trade (Brexit)	61,486	8,650	41,097	156,223	31,491
Ukraine	-	-	5,400	136	14,270
Australia	-	-	-	52,148	-
Total	**1,439,853**	**699,626**	**1,358,968**	**1,065,690**	**1,440,913**

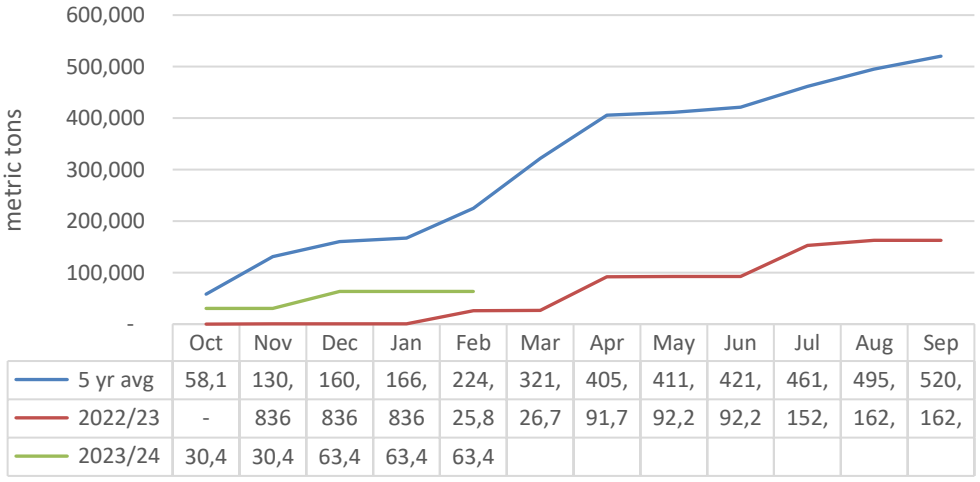
Source: Trade Data Monitor, LLC

Barley

Traditionally, Algeria's barley imports were correlated with domestic production and driven by the livestock industry demand. For the MY 2024/25, Post anticipates improved climatic conditions on the previous season, particularly in the center and eastern areas. As such, Post forecasts Algeria's barley imports at 500,000 MT, in line with the average Algeria imported in the last five years.

For 2023/24 marketing year barley imports are lagging far behind the five- year average, while the current pace of imports appears to be above last year's lackluster imports. Post revises import estimate to 300,000 MT.

Chart 4: Algeria Cumulative Barley Imports by Origin in (MY & MT)



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
5 yr avg	58,1	130,	160,	166,	224,	321,	405,	411,	421,	461,	495,	520,
2022/23	-	836	836	836	25,8	26,7	91,7	92,2	92,2	152,	162,	162,
2023/24	30,4	30,4	63,4	63,4	63,4							

Source: Trade Data Monitor, LLC, Chart OAA Algiers

The figures below show barley imports kept increasing from 2018/19 to 2020/21 due to consecutive drought years. In 2021/22, barley output was good according to farmers which led to a decrease in imports. Algeria imported only 162,684 MT in TY 2022/23, (93,000 MT in MY 2022/23). Post believes that barley has been displaced by corn to a degree as a feed ingredient. This phenomena is reflected in the lower barley imports and consumption estimates for MY 2023/24 and MY 2022/23.

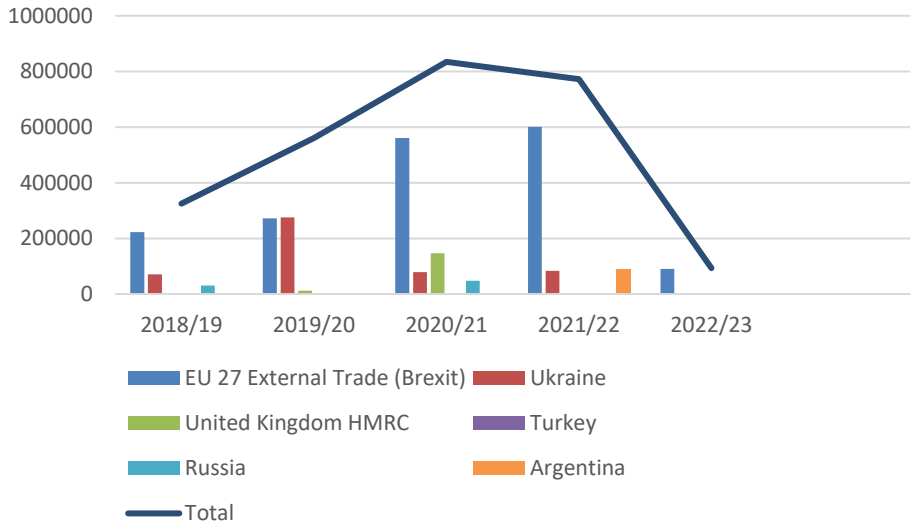
Table 5: Algeria Barley Imports by Origin in (MY Jul-June & MT)

Reporter	2018/19	2019/20	2020/21	2021/22	2022/23
EU 27 External Trade (Brexit)	222,810	272,060	561,156	600,566	90,005
Ukraine	70,502	274,949	78,903	83,081	0
United Kingdom HMRC	0	11,830	147,066	0	0
Turkey	1,530	1,277	0	444	2,983
Russia	30,476	0	47,300	0	0
Argentina	0	0	0	88,340	0
Total	325,318	560,116	834,425	772,431	92,988

Source: Trade Data Monitor, LLC,

The EU-27 continued to be the strongest supplier of barley to Algeria in the last five years. Meanwhile, imports from the United Kingdom completely zeroed out. Notably, Argentina emerged as the second leading supplier of barley to Algeria in MY2021/22 but zeroed in MY 2022/23 and MY 2023/24. In addition, the figures show that Ukraine moved to number two supplier of barley to Algeria in MY 2022/23 despite the geostrategic situation.

Chart 5: Algeria Barley Imports by Origin in (MY & MT)



*Source: Trade Data Monitor, LLC, Chart OAA Algier*s

Corn

Corn imports have always been driven by the poultry and livestock industry demand. After three consecutive seasons of corn import decline, trade data shows a bounce back in corn imports in MY 2022/23 above 4 MMT. Post believes that resurgence of corn imports is driven by the government push for growth in the livestock sector, to increase meat and dairy production. In addition, corn imports were also likely spurred by poor domestic pasture conditions last season due to drought. Post also believes that corn imports are up due to being used as a substitute to a degree with barley in animal feed.

The recent change in trend comes after a substantial decline in corn imports registered in the last three seasons, to 3.1 MMT in in imports 2021/22 down from 5.1 MMT in imports in 2019/20. Post believes that the Algerian corn demand was down on the account of rising global corn prices, as well as rising freight costs. Notably, last season imports from Ukraine decreased four-fold, as Russian invasion of Ukraine disrupted supply and trade across the Black Sea region. In addition to the fact that Algeria is encouraging corn production in the south of Algeria (desert), the plan for agriculture development included saving money from imports.

Argentina remains overall the number one supplier of corn to Algeria. Going forward, Post believes that corn imports from Mercosur bloc countries (mostly Argentina and Brazil) will remain strong. 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.

Table 6: Algeria Corn Imports by Origin (MT)and (MY)

Reporter	**MY2018/19**	**MY2019/20**	**MY2020/21**	**MY2021/22**	**MY2022/23**
Argentina	3,681,639	3,823,589	2,636,547	2,442,790	2,360,248
Brazil	350,374	390,976	946,969	594,593	1,645,455
Ukraine	744,237	874,575	420,241	156,810	-
Paraguay	-	-	28,420	73,886	7,200
Romania	27,151	-	-	-	51,862
Turkey	665	256	1,270	4,726	3,165
France	16,592	209	274	410	355
United States	145	43,688	181,012	20	20
Bulgaria	10,347	-	-	-	-
Russia	-	-	100	-	-
Others	151	153	345	203	1,385
TOTAL	**4,831,301**	**5,133,446**	**4,215,178**	**3,273,438**	**4,069,690**

Source: Trade Data Monitor, LLC

As outlined in previous reports, starting from April 5, 2023, MOA requires a phytosanitary authorization to import corn and soybean meal to Algeria. This phytosanitary authorization is mandatory before initiating the import procedure with the financial institutions and other authorized services, including the country of origin. The authorization should be issued before the shipment of these commodities. In addition to the phytosanitary authorization, the importers of corn and soybean meal should also submit a detailed feed grain import program for the Calendar Year, to the Directorate of Plant Protection and Technical Control (DPVCT) at the Algerian Ministry of Agriculture. This measure is meant to prevent harmful organisms from infesting corn and soybean destined to be used by the animal feed industry, in particular the fall armyworm.

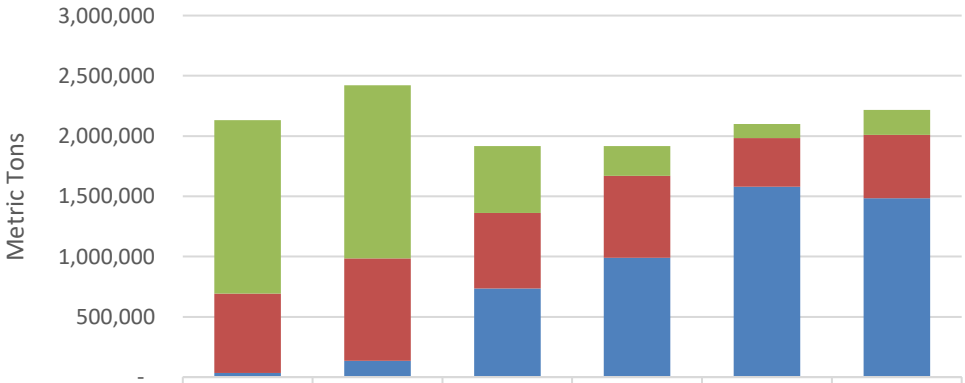
DDGS

High duties (30 percent) on the Dried Distillers Grains with Soluble (DDGs) continue to discourage imports and use of DDGs in feed. Despite successful trials using DDGs conducted in the past and the Valued Added Tax (VAT) exemption as well as the January 2019 exclusion from the list of products subject to the new temporary safeguard duty (DAPs), importers remain reluctant to imports of DDGs.

Soybean and Soybean Products

Soybeans: In Algeria, the poultry feed industry drives demand for soybeans. Over the last five years, the crush capacity has increased significantly in Algeria, switching import towards raw beans, and away from soy meal and oil.

Chart 6: Algeria's Soybean and Soy Product Imports



	2018	2019	2020	2021	2022	2023
Soybean Meal	1,436,901	1,435,888	554,779	245,969	115,438	206,362
Soybean Oil	659,094	850,976	625,235	679,661	404,615	528,064
Soybeans	35,226	135,285	736,360	991,498	1,579,551	1,483,114

Source: Trade Data Monitor, LLC, Chart OAA Algiers

As of the end of 2023, Algeria has two crush plants in operation; a crushing plant with 3,600 MT per day crush capacity, while another crushing plant has 2,000 MT crush capacity. Two other crushing plants are expected to be added to the total crushing capacity; one by quarter three and the other one by the end of 2024. The local crush capacity could reach about 20,000 MT in the next two or three years. Trade Data Monitor data shows soybean imports to Algeria have been increasing since 2019, reaching 1.57 MMT in 2022. Algeria might be switching suppliers due to price competitiveness.

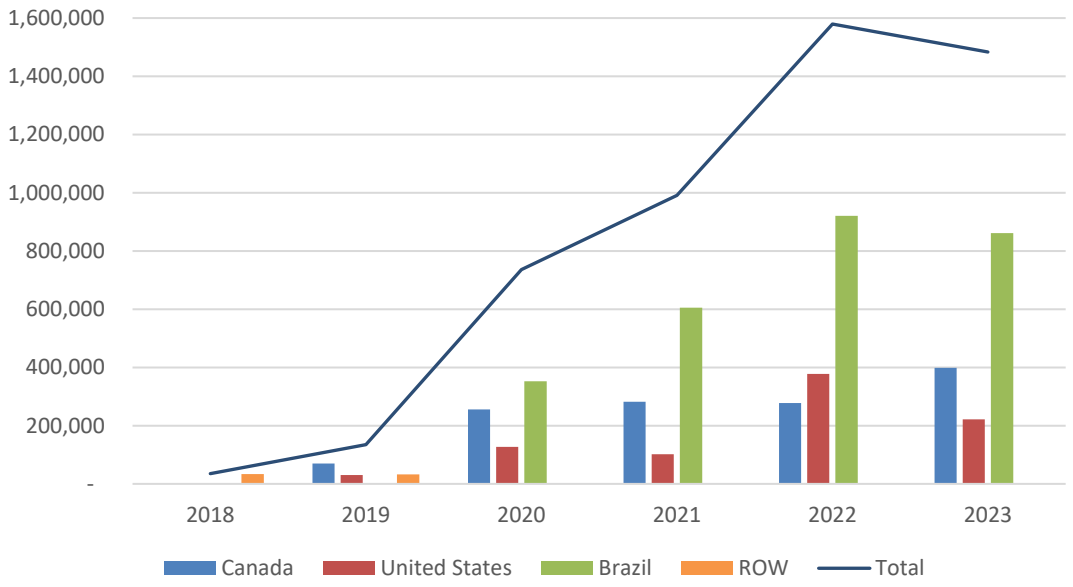
Table 7: Algeria Soybeans Imports by Origin (MT) and (CY)

Reporter	2018	2019	2020	2021	2022	2023	2024(Jan-Feb)
Brazil	21	326	352,023	605,667	921,009	861,606	88,813
Canada	0	69,690	255,537	281,706	278,261	398,318	164,064
United States	0	30,105	126,645	102,005	378,222	221,146	0
Ukraine	33,000	33,000	49	0	0	0	0
others	187	145	86	99	37	21	0
Total	33,208	133,266	734,340	989,477	1,577,529	1,481,091	252,877

Source: Trade Data Monitor, LLC

Algeria's key suppliers of soybeans are Brazil and the United States. However, Canada emerged as number two supplier of soybeans to Algeria in 2020, 2022 and 2023. Canada is number one supplier in the first two months of 2024 followed by Brazil. Note that 2024 reflects only two months' data (January-February).

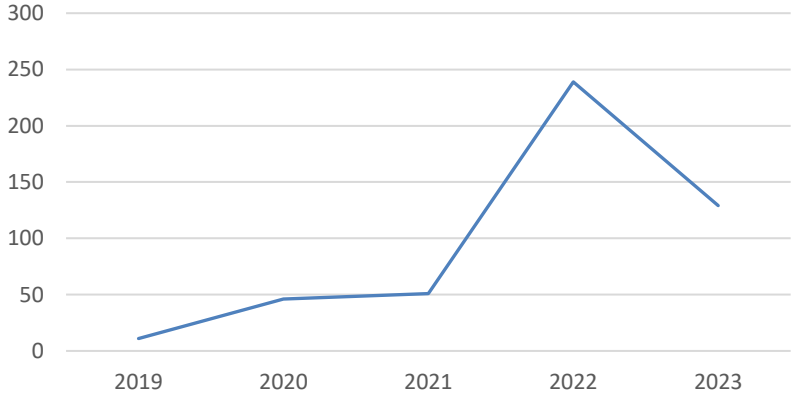
Chart 7: Algeria's Top Soybeans Suppliers



Source: Trade Data Monitor, LLC, Chart OAA Algiers

The Global Agricultural Trade System (GATS) shows U.S. exports of soybeans started in 2019 with ($11 million) and increased to $46.1 million in 2020, then jumped to $239 million in 2022. However, imports declined in 2023, due to most likely to the dollar exchange rate and U.S. soybean prices. The upward trend in soybean imports should resume again given the new crushing plants that will soon be added to list.

Chart 8: U.S. Exports of Soybeans to Algeria



Source: The Global Agricultural Trade System (GATS)

Soybean Meal: The table below shows that soybean meal import volumes are declining. The figures below show Argentina imports declined by over 60 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's preference toward Argentine qualitative aspects and specifications have always hampered U.S. origin soybean meal imports.

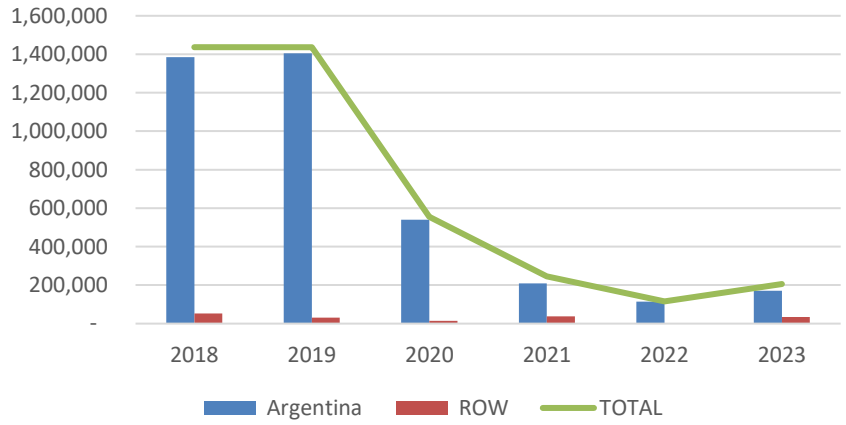
Table 8: Algeria Soybean Meal Imports by Origin (Metric Tons, Calendar Year)

Reporter	Calendar Year (UOM1: T)				
	2019	2020	2021	2022	2023
Argentina	1,404,902	540,753	208,873	114,671	171,475
United States	0	0	36,029	0	33,970
EU 27 External Trade (Brexit)	1,017	13,852	760	635	766
Serbia	176	176	308	132	152
Paraguay	29,793	0	0	0	0
TOTAL	**1,435,888**	**554,781**	**245,970**	**115,438**	**206,363**

Source: Trade Data Monitor, LLC

Regardless, Post believes that soybean meal imports will continue to decrease given the additional crushing capacity coming online in 2024. 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. This increase remains applicable. Soybean meal is not in the list of products subject to the Temporary Additional Safeguard Duty (DAPS).

Chart 9: Algeria Imports of Soybean Meal by Origin Comparison (In CY & MT)



*Source: Trade Data Monitor, LLC, Chart OAA Algier*s

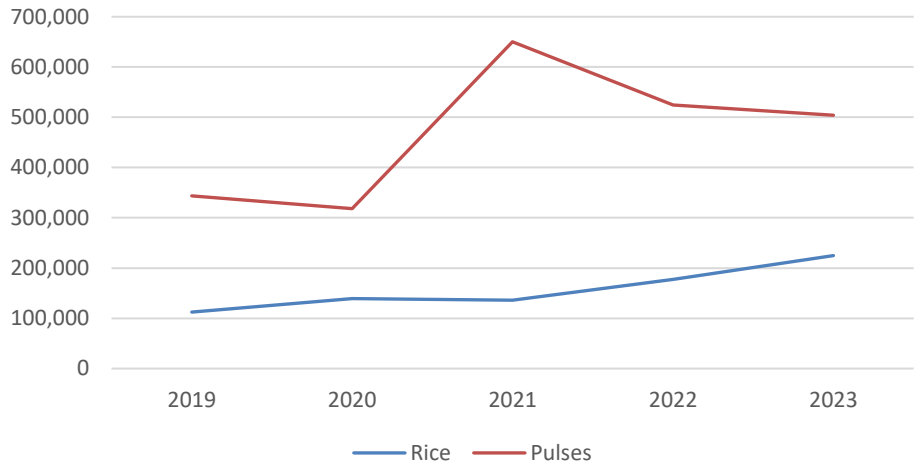
Pulses and Rice

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 as staple but to lesser extent than cereals and potatoes. Algeria's imports of pulses are mostly beans, lentils, chickpeas, and beans for seeding and are more important than rice imports.

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

Import volumes of these two commodities decreased overall as a result of GOA policy to control imports. Posts expects this trend to continue based on 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 private operators, either for resale as such, or for own use.

Chart 10: Algeria Imports of Pulses & Rice (In MT & CY)



*Source: Trade Data Monitor, LLC, Chart OAA Algier*s

Pulses: Over the last five years, Canada, Turkey, and Argentina have been reliably among the top suppliers of pulses to Algeria. In 2021, Algeria saw a big influx of pulse imports, owing almost entirely to a spike in shipments from Egypt, probably due to 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.

Table 9: Algeria Pulse Imports by Origin (In MT & Calendar Year)

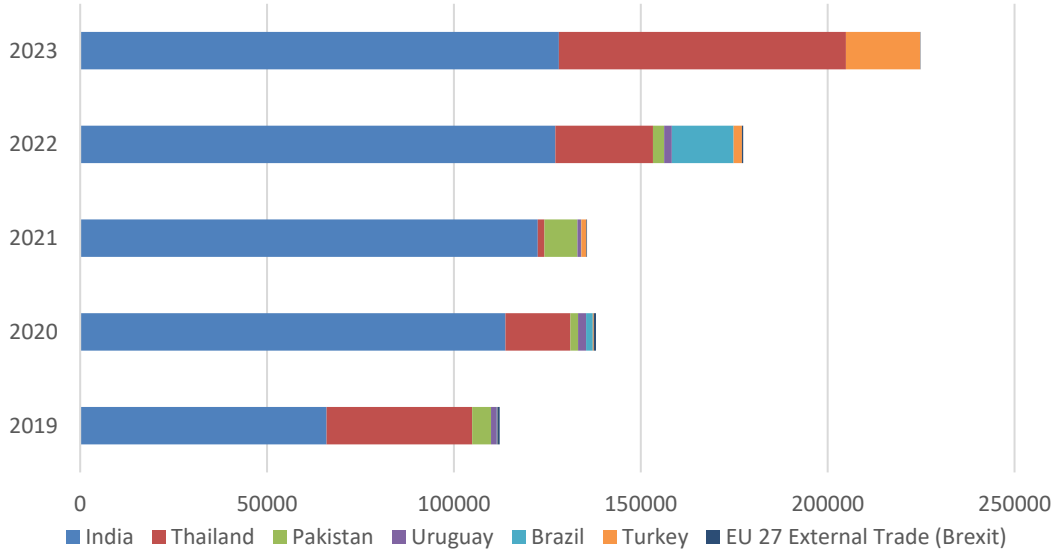
	Calendar Year (UOM1: T)				
	2019	2020	2021	2022	2023
Turkey	27,244	24,528	27,624	32,874	152,132
Canada	62,796	60,543	70,612	76,177	71,972
Mexico	22,676	27,268	39,010	47,013	20,926
Egypt	18,559	21,936	321,032	149,416	-
Argentina	48,059	11,922	34,625	25,396	14,879
India	35,874	21,817	5,325	8,510	5,111
United States	2,616	4,973	4,002	3,334	5,804
EU 27 External Trade (Brexit)	2,111	1,721	1,463	1,296	929
New Zealand	1,400	1,459	1,660	1,440	700
Brazil	72	265	0	1,562	6,362
Ukraine	-	48	382	100	417
Russia	9,832	1,585	7,622	-	-
Others	190	656	665	48	-
TOTAL	**231,429**	**178,721**	**514,022**	**347,166**	**279,232**

Source: Trade Data Monitor, LLC

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.

Rice: Rice imports into Algeria have traditionally originated from India, Thailand and Vietnam. The chart and table below show some importing countries losing market share. While India's market share continues to increase and currently makes up the biggest part of the market, Turkey has emerged as the third largest rice supplier to Algeria. Vietnam rice exports to Algeria are nonexistent according to TDM data. U.S. rice prices are not competitive against the Asian market of rice suppliers to Algeria.

Chart 11: Algeria Top Seven Suppliers of Rice



Source: Trade Data Monitor, LLC, Chart OAA Algiers

Table 10: Algeria Rice Imports by Origin
(In MRE & Calendar Year)

	2019	2020	2021	2022	2023
India	65,913	113,776	122,448	127,159	128,111
Thailand	38,976	17,375	1,768	26,079	76,744
Pakistan	5,066	2,042	8,856	3,019	-
Uruguay	1,553	2,140	900	2,025	-
Brazil	48	1,808	96	16,535	-
Turkey	50	278	1,374	2,250	19,896
EU 27 External Trade (Brexit)	607	634	204	355	29
Others	120	1,295	525	-	3
Total	**112,333**	**139,348**	**136,171**	**177,422**	**224,783**

Source: Trade Data Monitor, LLC

Stocks

Cereal Storage Capacities to Increase in MY 2024/25

According to the MOA, 350 local cereal storage centers will be built to increase storage capacities to 9 MMT compared to 3.4 MMT currently as part of the action plan for 2024. Twenty-five billion Algerian Dinars (AD) were reportedly earmarked for the construction of each 6,000 MT storage capacity center. Per the GOA statements, the governors at the provincial level will receive the funds and the technical files to start construction operations in March 2024. The expected completion time is within eight months. In addition,16 storage centers (metal silos) will be rehabilitated and operational in 18 months, as well as the construction of 30 silos at ports and centers will be added to the new ones.

These facilities are designed for all wheat and barley storage - both imported and locally produced. To recall, in 2020, the Minister of Agriculture reported a construction of 9 concrete silos with a storage capacity of 3.5 million quintals finished. The MOA was launching a series of silos construction; 15 metal silos with a storage capacity of 4.2 million quintals, and 16 metal silos with 2.5 million quintals storage capacity along with a collection center for cereals in the south and other regions that will constitute new production poles under the new development strategy.

Notwithstanding the silo construction and renovation, Post does not anticipate immediate rise in stocks, as domestic production remains below average.

Policy

The GOA continue to monitor and control imports to encourage domestic production and protect producers. The measures undertaken by the GOA remain current;

-The Algerian Office of Cereals (OAIC) remain the exclusive importer of pulses and rice since February 09, 2023, and prohibit their import by other operators, either for resale as such or for own use. This measure came in line with a decision taken by President Abdelmadjid Tebboune back in April 2022, entrusting the OAIC with the import of pulses.

-In addition, to the pulses procurement prices increase in April 2022, according to the government's proposals, by 3,000 AD/quintal for beans and lentils and 2,000 AD/quintal for chickpeas, in order to encourage farmers, in addition to various incentives, including support in the form of loans, fertilizers and other benefits.

As outlined above in the production section, in January 2022, the GOA increased again domestic procurement of grains from farmers after the one in 2008.

Algerian Agriculture Modernizing

Developing the agricultural sector remains the priority of the GOA. The GOA pursues its goal achieving self-sufficiency in durum wheat and pulses production by resorbing fallow land. The newly converted

land is used to grow fodder and pulses in addition to barley and oats. The MOA is also granting long term land leases to private investors to launch large-scale agricultural production. The government encourages large-scale agricultural investments specifically in the highlands and the "Sahara" (South of Algeria). In September 2020, the GOA created the Office for Saharan Agriculture Development (ODAS) to promote agriculture investments and facilitate procedures, including for land leases for investors (local and foreign).

The GOA agricultural roadmap seeks to broadly modernize crop farming in Algeria, by using drones and satellites, as well as digitization, innovative tools and renewable energies. In addition, the government is seeking to diversify the Algerian economy and attract foreign and domestic investment, particularly in the field of cereals, oilseeds, and sugar production. The GOA has supported development of storage capacity, cold chain and packaging projects, as well as crushing and refinery projects. The policy prioritizes investment in agriculture to ensure food security.

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 (based in Algeria and the U.S. respectively), FAS would like U.S. companies interested in the Algerian market to consider participating in the Algeria's domestic shows to promote U.S. agricultural products.

FAS Algiers regularly participates in the International Agricultural Show the (SIPSA Show (Agri-business and Livestock Trade Exhibition) in Algiers in May. Please contact us at AgAlgiers@usda.gov.

Table 11: Wheat, Production, Supply and Distribution

Wheat	2022/2023		2023/2024		2024/2025	
Market Year Begins	**Jul 2022**		**Jul 2023**		**Jul 2024**	
Algeria	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	1800	2075	1800	2075	0	2075
Beginning Stocks (1000 MT)	4137	4137	4408	4728	0	4823
Production (1000 MT)	3600	3600	2700	2700	0	3000
MY Imports (1000 MT)	8141	8141	8300	8600	0	8000
TY Imports (1000 MT)	8141	8141	8300	8600	0	8000
TY Imp. from U.S. (1000 MT)	193	193	0	0	0	0
Total Supply (1000 MT)	15878	15878	15408	16028	0	15823
MY Exports (1000 MT)	0	0	5	5	0	0
TY Exports (1000 MT)	0	0	5	5	0	0
Feed and Residual (1000 MT)	70	50	50	50	0	50
FSI Consumption (1000 MT)	11400	11100	11500	11150	0	11200
Total Consumption (1000 MT)	11470	11150	11550	11200	0	11250
Ending Stocks (1000 MT)	4408	4728	3853	4823	0	4573
Total Distribution (1000 MT)	15878	15878	15408	16028	0	15823
Yield (MT/HA)	2	1.7349	1.5	1.3012	0	1.4458
(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 2024/2025 = July 2024 - June 2025						

Table 12: Barley, Production, Supply and Distribution

Barley	2022/2023		2023/2024		2024/2025	
Market Year Begins	**Jul 2022**		**Jul 2023**		**Jul 2024**	
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)	326	326	219	119	0	94
Production (1000 MT)	1600	1400	1025	1025	0	1400
MY Imports (1000 MT)	93	93	700	300	0	500
TY Imports (1000 MT)	162	162	700	300	0	500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2019	1819	1944	1444	0	1994
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)	1350	1450	1400	1100	0	1400
FSI Consumption (1000 MT)	450	250	350	250	0	250
Total Consumption (1000 MT)	1800	1700	1750	1350	0	1650
Ending Stocks (1000 MT)	219	119	194	94	0	344
Total Distribution (1000 MT)	2019	1819	1944	1444	0	1994
Yield (MT/HA)	1.561	1.3659	1	1	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 2024/2025 = October 2024 - September 2025						

Attachments:

No Attachments