

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Algeria**

### **Grain and Feed Update**

### **Crop and Policy Update**

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**Report Highlights:**

General good growing conditions indicate a good grain crop for MY2018/19 in Algeria. The list of products temporary suspended from import has been increased. Market opportunities exist for U.S. Feed Grains (wheat, barley, corn, soybeans and soybean meal) not on the list of items banned for import.

**Post:**  
Algiers

### **Executive Summary:**

The Normalized Difference Vegetation Index (NDVI) shows good crop conditions over all of Algeria, which indicates a good grain crop for MY2018/19.

In May 21, the Ministry of Commerce revised the list of products temporary suspended from import. The revised list is part of the decree No 18-139 of May 21, 2018 published in the Journal Officiel No 29 of May 23, 2018) <https://www.commerce.gov.dz/reglementation/decret-executif-n-deg-18-139> .

The Ministry of Commerce extended the list from 851 to 877 products of which 622 are currently agricultural while in the former list agricultural products were 576. Some products that are inputs for local production and manufacturing were removed from the list while others that are finished goods and are produced locally were added.

None of the Feed Grains are affected by the import ban, however, wheat and corn products were impacted.

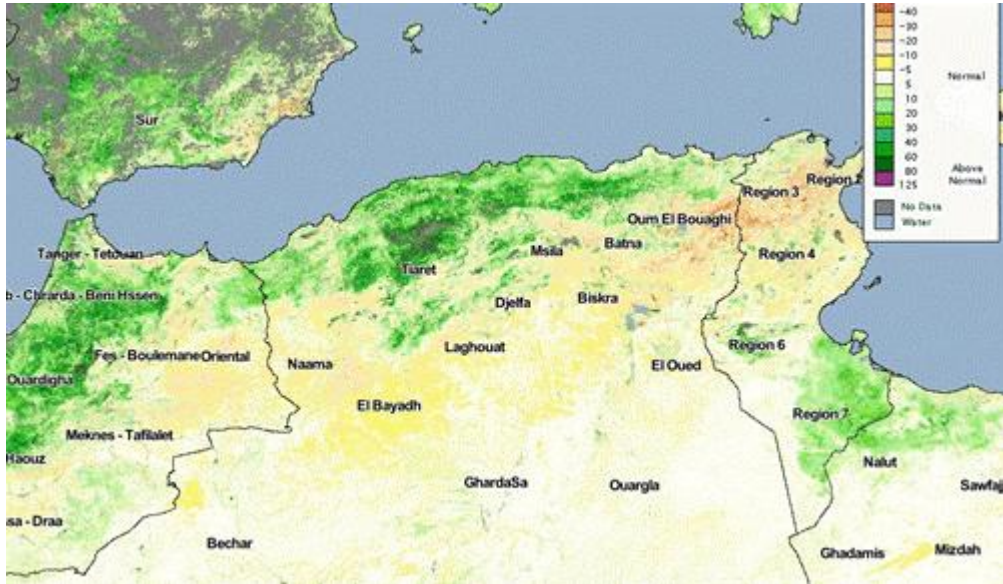
Post forecast wheat production at 2.5 MMT and barley production at 1 MMT for MY2018/19. Post maintains the figures for MY2016/17 and MY2017/18 for wheat and barley imports.

### **Author Defined:**

### **Crop Update**

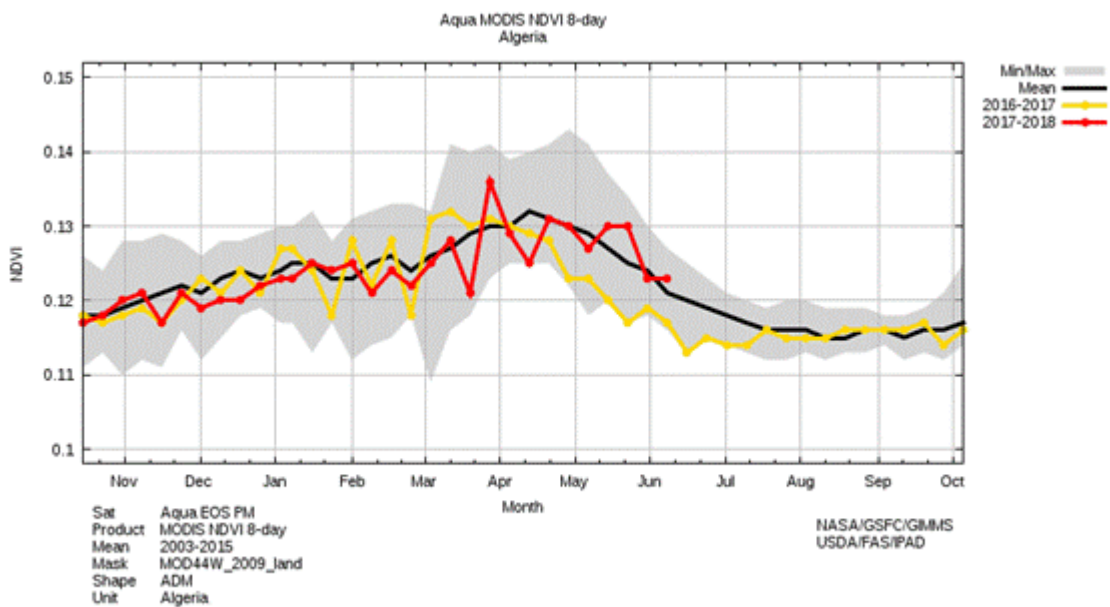
Crop conditions look good. According to the Normalized Difference Vegetation Index (NDVI) by Region, the vegetation index is above normal for most of Algeria. In general, rainfall has been adequate. Most of the grain production regions benefited from good precipitation resulting in good soil moisture levels, which enabled crops to develop.

Algeria: Normalized Difference Vegetation Index (NDVI) by Region as of June 17, 2018



Algeria’s Normalized Difference Vegetation Index (NDVI) (<https://glam1.gsfc.nasa.gov/>) in the chart below shows good crop conditions with a good level of vegetation particularly during the last three months including grain fill period, better than last year’s and even better than the usual crop average.

**Figure: Algeria’s Normalized Difference Vegetation Index (NDVI) as of June 17, 2018.**



Source: NASA/GSFC/GIMMS – USDA/FAS/OGA

Ministry of Agriculture (MoA) bulletins as of May 7-12, 2018 indicated the following stages of the crop development:

- Wheat
  - Heading to flowering stage in the coastline and sub-coastline center, eastern and western regions
  - Heading stage in the center, eastern and western high plateaus.
  
- Barley and Oats
  - Flowering stage in the coastline and sub-coastline center, eastern and western regions
  - Heading to flowering stage in the center, eastern and western high plateaus.

Post forecast wheat production at 2.5 MMT and barley production at 1.0 MMT for MY2018/19. Post maintains production figures for MY2016/17 and MY2017/18.

The Algerian Office of Cereals (OAIC) of the Ministry of Agriculture (MoA) announced in a Algeria Press Service (APS) press release that cereal production for MY2018/19 should increase compared to the last year's crop which is attributable to abundant rainfall in the country's East, West and Center regions. However, OAIC did not release any forecast figures.

### **Trade Update**

Post maintains the figures for MY2016/17 and MY2017/18 for wheat and barley imports. Algeria's goal to reduce imports and slow import growth remains the priority and the Government of Algeria (GoA) is still implementing measures with this objective. In response to the strategy to import less durum and produce it locally by 2020, Post forecasts wheat imports would fall to 8.2 MMT in MY2017/18 and maintains this forecast for MY2018/19 at 8.2 MMT. However, bread wheat will continue to occupy the vast majority of Algeria's wheat imports.

Post forecasts barley imports at 650,000 MT for MY2018/19. Depending on the new crop, barley imports may trend upward because of the new exemption from VAT and the removal of the import licensing system. Delays in the introduction of the import licenses for feed in 2017 have led to supply shortages and increased prices.

### **Consumption Update**

Post forecast barley consumption would increase slightly because of the VAT exemption implemented in the 2018 Finance Act. (Please see Finance Law Communiqué:

([https://www.mfdqi.gov.dz/images/pdf/communiqués/Communiqué\\_LF\\_2018.pdf](https://www.mfdqi.gov.dz/images/pdf/communiqués/Communiqué_LF_2018.pdf)).

This exemption also relieves local barley prices after the GoA removed the domestic resale price subsidy in 2017. As previously reported, barley trade was liberalized by eliminating the preset price that feed mills could purchase barley from the Algerian Office of Cereals (OAIC). The barley price was previously preset at Algerian Dinar (AD) 15,000/MT (\$1=AD116), and now is sold at market price.

### Policy update

May reports indicate that the Ministry of Commerce revised the list of products suspended in January 2018. The revised list is part of the decree No 18-139 of May 21, 2018 published in the Journal Officiel No 29 of May 23, 2018). As stated by the Ministry of Commerce, the list will be revised periodically. After discussions and consultations with the industry, the Ministry of Commerce adjusted and updated the list. The list has been extended to 877 products of which 622 are agricultural. Some products that are considered inputs for local production and manufacturing were removed from the list while others that are finished goods and are produced locally were added.

In regard to grain and feed products (wheat barley and corn, soybeans and soybean meal) remain unaffected by the import ban. Processed products such as corn products (flour, grits, semolina and starch as well as canned sweet corn) and wheat products (pasta, couscous, dough for bakery, muesli, bulgur, breads, biscuits, wafers, bakery and pastry products) remain impacted by the import ban.

The fully revised list can be found at: <https://www.commerce.gov.dz/reglementation/decret-executif-n-deg-18-139>

The information regarding the revisions can be found at: <https://www.commerce.gov.dz/actualites/liste-des-produits-interdit-a-l-importation>

Wheat	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jul 2016		Jul 2017		Jul 2018	
Algeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1300	1300	1600	1600	1600	1600
Beginning Stocks	4357	4357	4413	4443	4353	4583
Production	2000	2000	2400	2400	3000	2500
MY Imports	8414	8444	8000	8200	7500	8200
TY Imports	8414	8444	8000	8200	7500	8200
TY Imp. from U.S.	993	735	0	700	0	700
Total Supply	14771	14801	14813	15043	14853	15283
MY Exports	8	8	10	10	15	15
TY Exports	8	8	10	10	15	15

<b>Feed and Residual</b>	50	50	50	50	50	50
<b>FSI Consumption</b>	10300	10300	10400	10400	10550	10500
<b>Total Consumption</b>	10350	10350	10450	10450	10600	10550
<b>Ending Stocks</b>	4413	4443	4353	4583	4238	4718
<b>Total Distribution</b>	14771	14801	14813	15043	14853	15283
<b>Yield</b>	1.5385	1.5385	1.5	1.5	1.875	1.5625
(1000 HA) ,(1000 MT) ,(MT/HA)						

<b>Barley</b>	<b>2016/2017</b>		<b>2017/2018</b>		<b>2018/2019</b>	
<b>Market Begin Year</b>	<b>Jul 2016</b>		<b>Jul 2017</b>		<b>Jul 2018</b>	
<b>Algeria</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Area Harvested</b>	900	900	763	763	900	900
<b>Beginning Stocks</b>	1313	1313	899	905	617	623
<b>Production</b>	1000	1000	968	968	1400	1000
<b>MY Imports</b>	636	642	600	600	650	650
<b>TY Imports</b>	533	533	600	500	550	550
<b>TY Imp. from U.S.</b>	0	0	0	0	0	0
<b>Total Supply</b>	2949	2955	2467	2473	2667	2273
<b>MY Exports</b>	0	0	0	0	0	0
<b>TY Exports</b>	0	0	0	0	0	0
<b>Feed and Residual</b>	1700	1700	1500	1500	1600	1600
<b>FSI Consumption</b>	350	350	350	350	350	350
<b>Total Consumption</b>	2050	2050	1850	1850	1950	1950
<b>Ending Stocks</b>	899	905	617	623	717	323
<b>Total Distribution</b>	2949	2955	2467	2473	2667	2273
<b>Yield</b>	1.1111	1.1111	1.2687	1.2687	1.5556	1.1111
(1000 HA) ,(1000 MT) ,(MT/HA)						