

Voluntary Report – Voluntary - Public Distribution

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Report Name: COVID-19 - Agriculture Situation

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Report Highlights:

Algeria's first case of COVID -19 was reported on February 26, 2020. The Official number of cases as of April 10, 2020 is 1,761, with 256 deaths and 405 recovered. In March, President Tebboune announced a ban (temporary suspension) on the export of any strategic product until the end of the pandemic. The Government of Algeria reports that Algeria has enough food stocks to meet domestic food demand through the beginning of 2021, although demand for semolina and flour have surged since the beginning of the COVID-19 outbreak. This report highlights the most reported COVID-19, agriculture related stories in the media.

General Information

Data from the U.S. Global Agricultural Trade System, (GATS), reports that U.S. agricultural exports to Algeria during the January- February 2020 period were above figures for that same time period in 2019. Total agricultural exports in January-February 2019 are reported at 15.3 million, and 30.5 million for the same period in 2020. This increase is mainly attributed to increased exports of U.S. soybeans, (\$22.5 million) as a new crushing plant became operational in the Western part of Algeria. These figures were not impacted by COVID-19, as the first recorded case of COVID-19 in Algeria was at the end of February. The Government of Algeria has for several years oriented itself toward a strategy to reduce imports and is starting to see the results of this strategy.

Like other countries around the world affected by COVID-19, in the beginning of the crisis, Algerian consumers rushed to purchase staple foods such as flour and semolina fearing shortages and supply disruption, despite the government's assurance of availability. Subsequently, the government announced a series of measures to counter the impact of supply chain disruptions.

Algerian Agricultural Products Banned from Export

In March, the Algerian President announced a ban (temporary suspension) on the export of any strategic product; food or medical, until the end of the pandemic in order to preserve strategic reserves.

The Directorate General of Customs published the list of tariff subheadings for products temporarily suspended from export until the end of the health crisis.

This list includes 1,219 tariff subheadings.

The list is available on the customs website: <http://www.douane.gov.dz/spip.php?article429&lang=fr>

Included on the list are semolina, flour, pulses and rice, pasta, vegetable oils, sugar, coffee, mineral water, tomato paste, milk and milk powder (including those intended for children), vegetables and fresh fruits. Dates are not included on the list of items banned for export. The list also includes meats, medical and paramedical medicines, equipment, medicines and pharmaceuticals, personal care products and household detergents.

Impacts on the Supply chain / Agriculture and Food Production

Algerian Government Officials report that Algeria has sufficient food stocks to meet domestic food demand through the beginning of 2021. Food demand has surged for semolina, and flour mainly since the beginning of the COVID-19 outbreak. Consumers rushed to purchase semolina and flour as they feared bread would not be available due to government-imposed closures of many shops.

Algerian Media reports that the Algerian Office of Cereals (OAIC) announced that wheat stocks are available, and points of sale were opened in several provinces to respond to the increased demand on semolina and flour. During a March radio interview, the Algerian Minister of Agriculture reported that the wheat mills increased their production and are working 7 days a week. Additionally, President

Tebboune announced in a March speech that wheat mills would be supplied at 100 percent capacity. As a result, overall wheat production has increased threefold.

Algeria produces sufficient fruit and vegetables, vegetable oils, poultry and meat to meet domestic demand, however, imports a large proportion of other staples, mainly grains. Officials from the Algerian Office of Cereals (OAIC) reported to the press that additional quotas have been approved for mills to increase their production. State and private mills have increased working hours and the wheat mills are now operating at full capacity. International press reports indicate the OAIC has purchased wheat via tenders, (mainly bread wheat), on the international market. These purchases are part of their usual purchase program before the next grain harvest.

Large agri-businesses are assuring consumers of the availability and sufficient supply of vegetable oils and sugar, without any price increase. In addition to the large stocks reserved in the event of high demand, these agribusinesses continue to operate at full capacity. Many of these large agri-businesses have their own logistical means and can ensure distribution of their products throughout Algeria.

For some products, the COVID-19 crisis generated significant price increases, as well as widespread speculation causing strain on the availability of certain products. In response, the Algerian Government instructed all the local authorities to watch, in coordination with the Ministries of Commerce and Agriculture, speculators and to take the necessary measures to prevent price increases. Measures have been put in place for violators to face fines, imprisonment and closure of their stores or warehouses.

The Ministry of Agriculture has also opened points of sale to sell agricultural produce at reasonable prices to control the prices on the market. Ministry of Commerce inspectors are regularly monitoring markets.

Finally, the National Office for Animal Feed, (ONAB) intervened to save the Algerian Poultry Breeders, unable to sell their products due to the forced closure of restaurants. ONAB purchased the excess poultry and will store the surplus until market conditions return to normal.

Measures to Facilitate Trade and Supply

As soon as the COVID-19 pandemic started, the Algerian Government shutdown all passenger travel (international and domestic), however allowed the transport of cargo to continue in order to maintain the supply chain.

Domestically, food and health care establishments remain open in order to keep activities and food supply chains running. Bakers, butchers, fruit and vegetable shops, and grocery stores remain open, requiring social distancing. Restaurants and coffee shops remain closed.

To avoid shortages of basic foodstuffs and health products, Customs is expediting customs processing for staple food, health products and medical equipment. These items are prioritized to be released upon arrival, and the actual clearance processing takes place at a later date.

In addition, The Ministry of Finance is giving tax breaks to support national companies financially impacted by the pandemic. Algerian banks will defer payments, loan payments and tax declarations for those companies severely impacted.

Plantings / Agricultural Inputs

During the March interview on Algerian Radio, the Minister of Agriculture outlined additional actions to be taken in anticipation of the impact of COVID-19 on agriculture plantings and harvest. The Minister instructed the Agricultural Services, Chambers of Agriculture, and other government offices to ensure regular plantings and harvest continue. Transportation and health protection are to be provided to agricultural workers to allow them to work in secure conditions while maintaining regularity in the agricultural supply chain.

Governors of provinces were also instructed to facilitate the re-opening of agricultural input stores for the sale of seeds, veterinary drugs and agricultural equipment.

Agriculture Policy

Abdelmadjid Tebboune was inaugurated, President of Algeria in December 2019. Under his direction the Government of Algeria issued a new five-year government Strategic Plan. The plan focuses on reviving and diversifying the Algerian economy toward sustainable growth. The plan also covers proposed improvements in the business climate, development of strategic sectors, promotion of exports and controlling imports. Agricultural development and diversification remain a priority.

In March, President Tebboune reiterated the priority of agricultural investments aimed at ensuring food security during a meeting with the Algerian Council of Ministers. The government's strategic plan encourages large-scale agricultural investments in the highlands and the "Sahara" (Southern part of Algeria). Additionally, the plan promotes foreign direct investments and partnerships particularly in the field of cereals, oilseeds, sugar production, and developing crushing and refinery projects that support the processing industry. Such projects include supporting the development of increased storage capacities, especially cold chain and packaging projects.

Opportunities exist for U.S. inputs and expertise to contribute to Algeria's domestic production and industrial development. The U.S.'s niche in providing advanced agricultural technologies, livestock genetics, and seeds, would provide promising prospects for increased bilateral trade.

Attachments:

No Attachments.