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Prepared By: Nabila Hales

Approved By: Justina Torry

Report Highlights:

The Minister of Agriculture indicated that Algeria's (2020-2021) agricultural season foresees a good crop harvest if supplemental irrigation is well implemented. The new agricultural five-year roadmap (2020-2024) aims to significantly reduce imports by \$2.5 billion of some expensive agricultural commodities. Opportunities exist for U.S. suppliers or investors for grain silos. The Ministry of Agriculture will launch a series of silos construction projects to increase grain storage.

Executive Summary

The 2020-2021 plantings were launched on October 5, 2020 and continued into January in some areas in the center and western region as sowing operations were delayed allowing soil to drain. The Minister of Agriculture indicated that 3.5 million hectares (Ha) are allocated to cereals for this planting season (MY2021/MY22). Sufficient quantities of certified seeds and fertilizers were made available to farmers for the planting season.

As of March 14, 2021, the Normalized Difference Vegetation Index (NDVI) shows that vegetation looks normal in the eastern region and the southern region of Algeria. The vegetation index also shows poor pockets of vegetation in the western and high plateau region of Algeria. Again, this year, these regions where wheat and barley are mostly grown, were impacted by the lack of precipitation.

The Ministry of Agriculture (MoA) did not release any figures regarding the MY2020/MY21 grain harvest. However, the Minister indicated that yields per hectare for all grains combined are down sharply and the data is being consolidated before being published. Moreover, during a visit to the field, the Minister indicated that the new agricultural season (2020-2021) foresees a good crop harvest if supplemental irrigation is well implemented to increase yields and production, as well as, if a good plan for collection of the output after the harvest is put in place.

A new policy for the agriculture sector has been implemented to achieve food security, increase domestic production, reduce imports of some expensive commodities by encouraging investments locally to develop the strategic agricultural sectors such as (bread wheat and oilseeds). (See Policy section)

Algerian Customs data report a 2.65 percent increase in total cereal imports from January to November 2020 compared to the same period in 2019 due mostly to corn. Customs data did not provide figures for imported volumes. Customs data indicates an increase in imports as (8.62 percent) increase for corn and (-8.66 percent) decrease for wheat. In addition, the same data indicates soybean meal imports fell by (-34.90 percent). Algeria's pulses imports fell from \$212.49 million in January-November 2019 to \$175.24 million in the same period in 2020.

Soybean imports are taking over the soybean meal market as crushing plants are opening to produce soybean meal locally.

Opportunities exist for U.S. suppliers of silos as the MoA will launch a series of silos construction projects. The goal is to construct 15 metal silos with a storage capacity of 4.2 million quintals (420,000 MT), and 16 metal silos with 2.5 million quintals (250,000 MT) storage capacity along with a collection center for cereals.

In [September 2020](#), the Minister of Agriculture launched a five-year roadmap (2020-2024) outlining a new strategy for agriculture sector development. The new strategy aims to significantly reduce imports by \$2.5 billion of some expensive agricultural commodities including grains, milk powder, sugar, and vegetable oils. With this roadmap, the government aims to reduce the import bill for bread (common) wheat by (-\$400 million), corn by (-\$17.6 million), vegetable oils by (-\$983 million), sugar by (\$-555

million), industrial tomatoes by (\$-55 million) and potato seeds by (-\$42 million) as well as garlic by (-\$12 million).

The implementation of the decrees lifting the wheat subsidies has been postponed until further notice. An additional transitional period is needed to allow industry professionals time to adjust, while ensuring sustainable market supply.

Post maintains the wheat and barley production forecasts for MY2020/21 until the official figures are released. Post maintains the wheat imports forecasts at 6.5 MMT in MY2021/22.

Post increased barley imports forecasts figures for MY2020/21 and MY2021/22. Post maintains the same forecast for both barley marketing years as crop conditions for barley might be affected this year as well.

Production

According to the Ministry of Agriculture (MoA) bulletin, this year, some plantings continued into January in the western region and some areas in the center as sowing operations were delayed allowing soil to drain. The 2020-2021 plantings were launched on October 5, 2020 from the Sahara, where the government of Algeria (GoA) is currently focusing their development efforts. According to the Minister of Agriculture, 3.5 million hectares (Ha) are allocated to cereals for this planting season (2020-2021) (MY2021/MY22). This is an increase compared to 3.2 million Ha from last year.

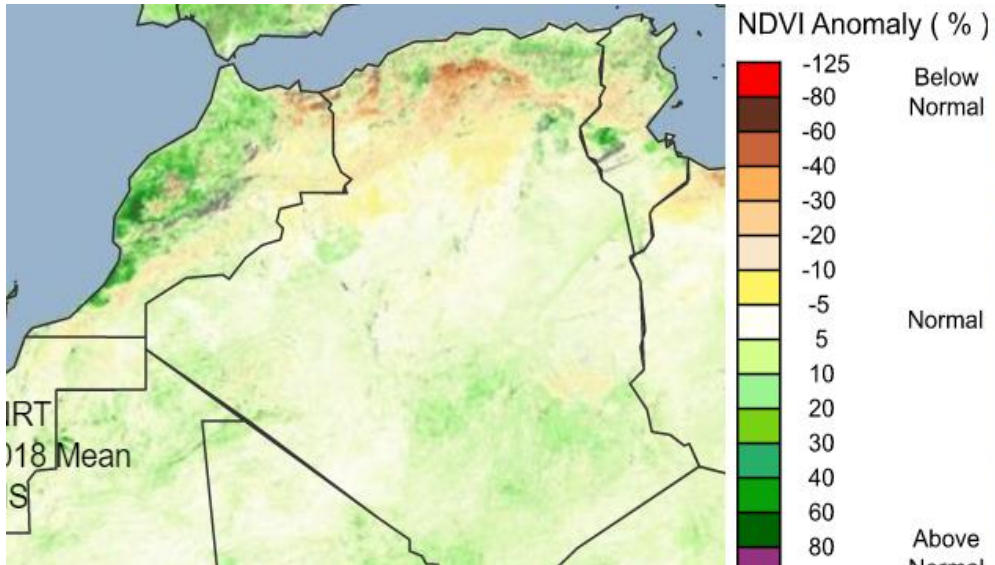
The Ministry of Agriculture made available certified seeds and fertilizers in sufficient quantities for the planting season. All the organizational, technical, and financial arrangements have been made to ensure optimum mobilization of all stakeholders in the field to help the farmers.

The Ministry of Agriculture did not release any figures regarding the MY2020/MY21 grain harvest. The Minister of Agriculture indicated that the data was being consolidated before it can be published. However, he indicated that yields per hectare for all grains combined are down sharply compared to the 2018 exceptional harvest that resulted in 6 million MT.

The chart and satellite imagery below depict the historical and current normalized difference vegetation index (NDVI) in Algeria. As of March 14, 2021, the Normalized Difference Vegetation Index (NDVI) below shows that vegetation looks normal in the eastern region and the southern region of Algeria. However, the vegetation index shows poor pockets of vegetation in the western and high plateau region of Algeria. Again, this year, these regions were impacted by a lack of precipitation. These regions are part of the wheat and barley growing areas in Algeria.

Algeria's Normalized Difference Vegetation Index (NDVI) by Region as of March 14, 2021

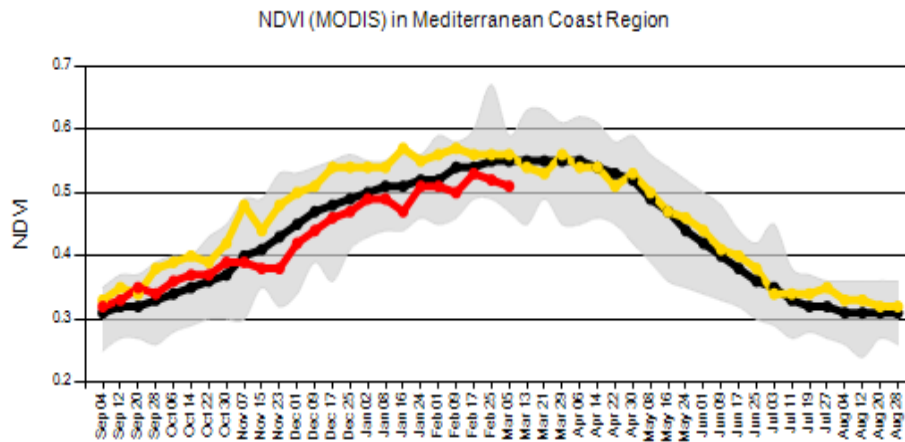
Source: <https://glam1.gsfc.nasa.gov/>



The below NDVI charts by region as of March 05, 2021 show vegetation conditions were as good as in September 2019-2020, and then decreased below average in November because of the lack of precipitation along the Mediterranean coastal region of Algeria. Vegetation conditions appear to be below last year's level in the Mediterranean coast, the high plateau and desert areas of Algeria. Crop conditions, however, remain within the average and MinMax range along the Mediterranean coastal areas and the high plateaus.

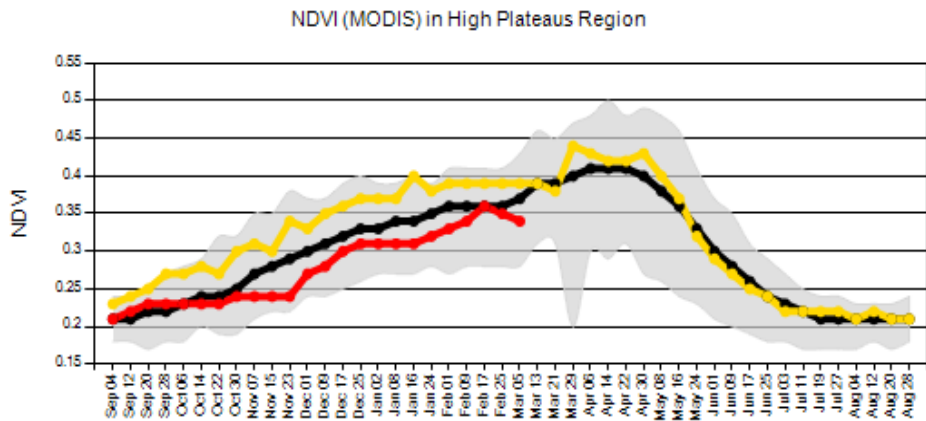
Algeria's Normalized Difference Vegetation Index (NDVI) by Region as of March 05, 2021

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



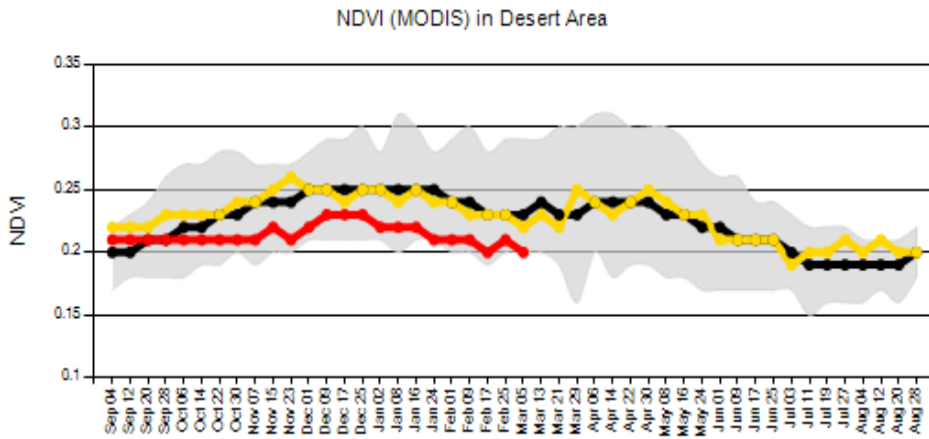
Source: NDVI from MODIS-Terra and rainfed cropland mask from SPAM 2010

— 2020 / 2021 — 2019 / 2020 — Normal Min/Max



Source: NDVI from MODIS-Terra and crops mask from IIASA Hybrid 2005

— 2020 / 2021 — 2019 / 2020 — Normal Min/Max

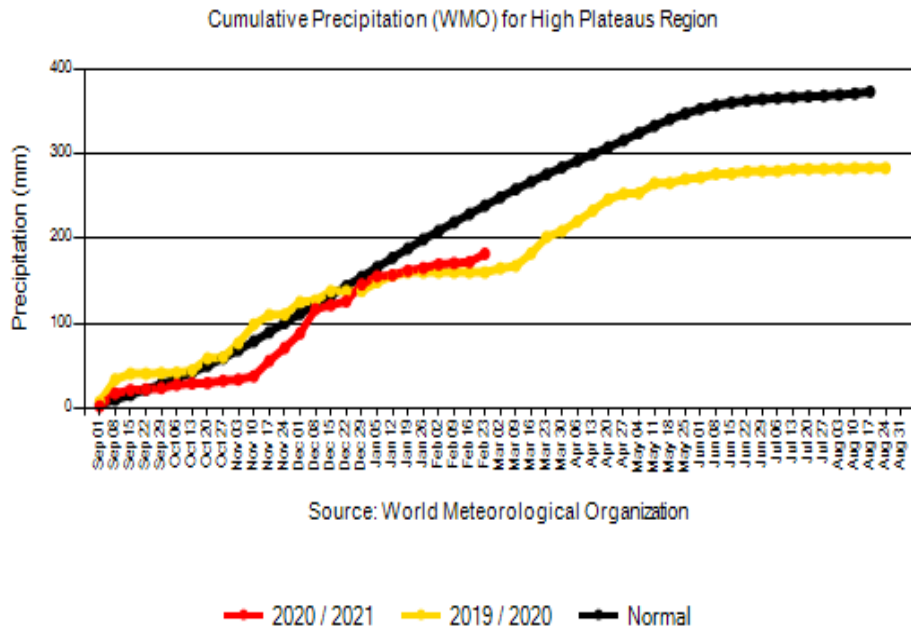
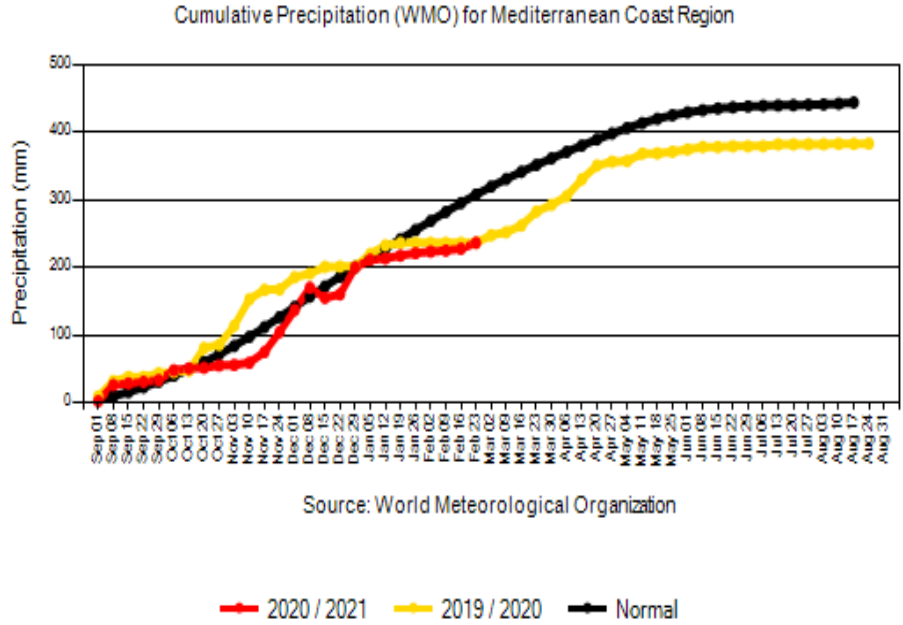


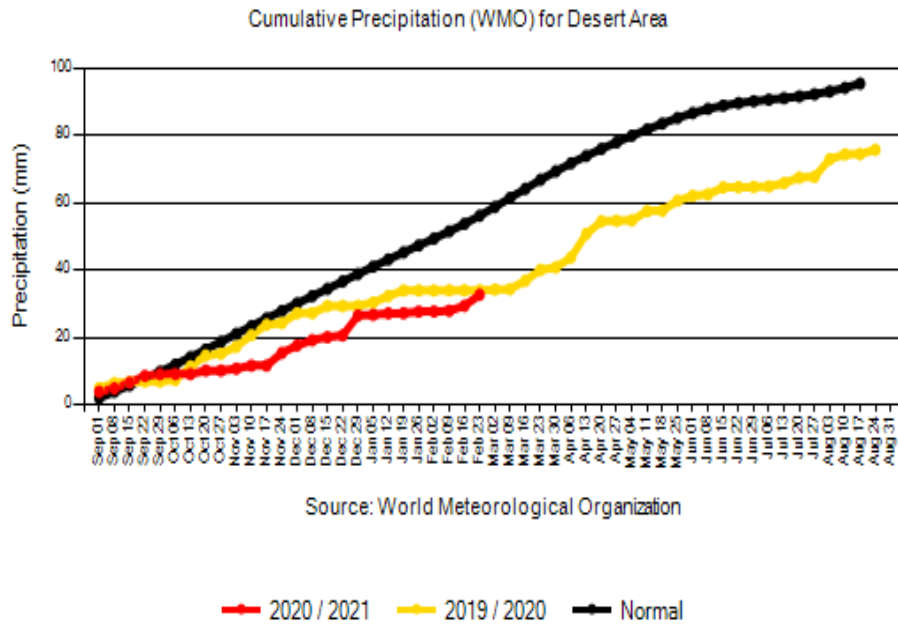
Source: NDVI from MODIS-Terra and crops mask from IIASA Hybrid 2005

— 2020 / 2021 — 2019 / 2020 — Normal Min/Max

The cumulative precipitation charts below show that the level of precipitation for the 2020-2021 (MY2021/MY22) season started at the same level as in September 2019-2020, however, decreased in October and November. Fall precipitation is lower than last year and average precipitation levels along the Mediterranean coast and high plateau areas. Overall, the eastern and the center regions received more rain than the western areas. However, rain returned in December, and continued into January, indicating that precipitation levels are recovering.

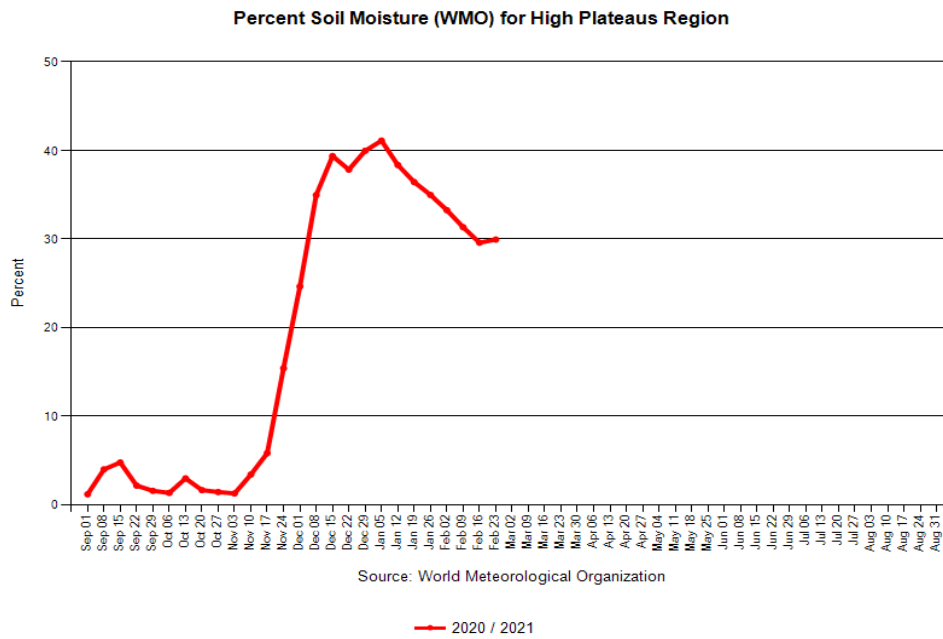
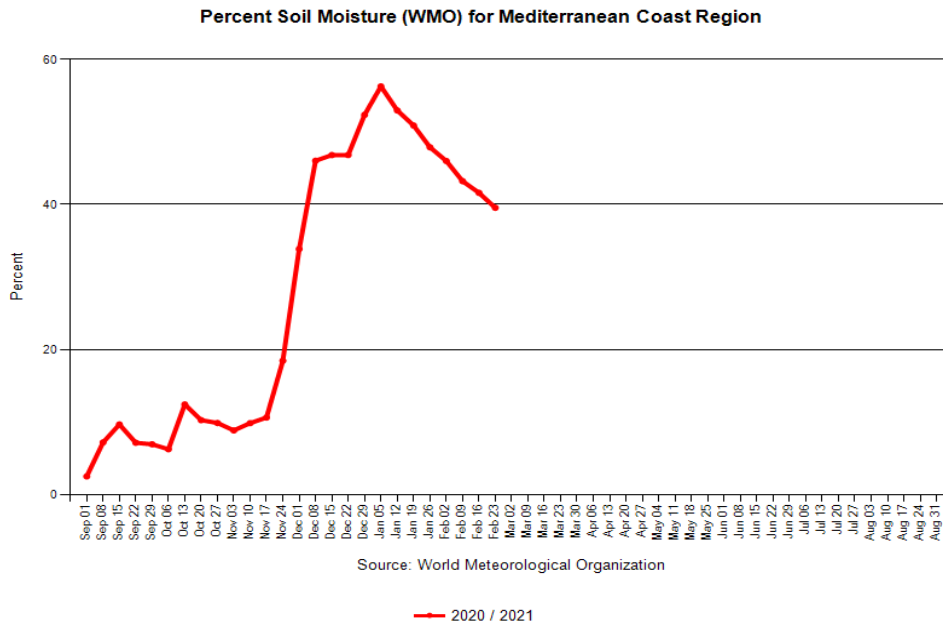
Precipitation charts as of March 07, 2021):
 Source: Crop Explorer (<https://ipad.fas.usda.gov/cropexplorer/>)

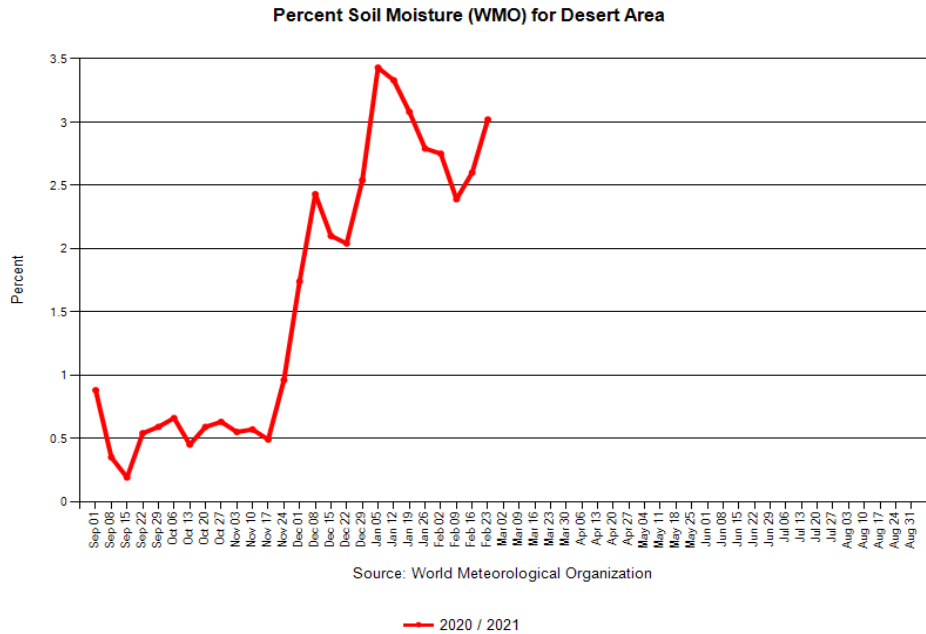




The charts below show low soil moisture levels in September and October. Hot and dry conditions in those months depleted soil moisture. December and January were rainy in almost all the areas. February was dry in the Mediterranean coastal areas and the high plateaus. Should rain start again in March, soil moisture will replenish and mitigate early season dryness.

Percent soil moisture charts by region as of March 07, 2021
 Source: Crop Explorer (<https://ipad.fas.usda.gov/cropexplorer/>)





As of January 10, 2021, the MOA bulletin indicated that wheat, barley, and oat crop developments are at the vegetative stage in the eastern, center, and western region’s coastline, as well as along the sub-coastline, and high plateaus.

On a visit to the field on March 11, 2021, the Minister of Agriculture, Abdelhamid Hemdani indicated that this agricultural season foresees a good crop harvest. The Minister indicated that this would be possible by implementing supplemental irrigation to increase yields and production as well as by setting up a good plan for collection of the output after the harvest. He also indicated that if yields increase by 10 to 20 percent, quantities of wheat to be imported will be reduced, meeting the stated goal. The Minister added that Algeria no longer imports cereal seeds and durum production meets 80 percent of the domestic needs.

A new policy for the agriculture sector has been implemented to achieve food security, increase domestic production, and reduce imports of expensive commodities. This policy will be encouraging investments locally to develop the strategic agricultural sectors such as (bread wheat and oilseeds). (See Policy section for more details on the new policy).

In this context, the MoA launched a program for rapeseed cultivation. The MoA allocated more than 3000 Ha for rapeseed cultivation in several areas and intends to raise it to 100,000 Ha. Additionally, over the past eight years, farmers have renewed interest in domestic corn production. Corn is now produced in some of the southern provinces where average yields range from 13 to 80 quintals per Ha. However, technical issues related to crop management, irrigation and harvest equipment still hamper the production of local feed. According to the Ministry of Agriculture, the need for corn accounts for 4.5 million metric tons (MT), which represent \$900 million of imports. The MoA allocated 18,000 Ha to produce 88,000 MT of corn by 2021.

The MoA also intends to allocate 200,000 Ha for peanuts and 200,000 Ha for soybean cultivation with the goal of reducing imports by 983 million.

The Ministry of Agriculture has not released the MY2020/21 grain production figures. Post maintains the wheat and barley production forecasts for MY2020/21 until the official figures are released. Post also maintains production figures for MY2019/20.

Consumption

Like other North African countries, Algeria is a major consumer of cereals and considers wheat a staple. Bread (common) wheat is mainly used to produce bread. Durum is used to produce pasta and couscous.

Wheat consumption will remain relatively stable with normal growth for the near future. The government is not providing new agreements to new mills, nor expanding the old ones. However, the government still aims to reduce imports of bread wheat. Thus, it continues to sensitize consumers to decrease consumption of bread to avoid waste in order to decrease demand on bread (common) wheat. This may affect consumption in the future.

Post forecasts total wheat consumption at 11.050 MMT for MY2020/21 and 11.200 MMT in MY2021/22.

Barley is consumed mainly 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. Consumption has trended upward since 2000, with increasing animal numbers, particularly sheep. Demand will increase slightly with the new development plan that encourages camel and goat breeding in the south of Algeria.

Post forecast barley total consumption at 2.0 MMT MY2020/21 and 2.05 MMT for MY2021/2022.

Trade

According to Algerian Customs data, Algeria imported \$7.36 billion in foodstuffs from January to November 2020, 24 percent of Algeria's total 2020 imports. Cereals accounted for 33.7 percent of the total food imports in value. Customs data did not provide figures for imported volumes.

Cereal imports were mainly wheat (58.29 percent) representing \$1.45 billion and corn (32.22 percent) representing \$801.33 million. Customs data reports a 2.65 percent increase in total cereal imports from January to November 2020 compared to the same period in 2019 due mostly to corn. Algeria imported \$1.59 billion in wheat and \$737.73 million in corn from January to November 2019. Customs data indicates an increase in imports as (8.62 percent) increase for corn and (-8.66 percent) decrease for wheat. In addition, the same data indicates that meals and residues of the processing industry imports constituted mostly of soybean meal (86.72 percent) shared 4.75 percent of the food imports. Algeria imported \$303.16 million in soybean meal from January to November 2020, while imports were at

\$464.65 million in the same period in 2019. Soybean meal imports fell by (-34.90 percent). Algeria's pulses imports fell from \$212.49 million in January-November 2019 to \$175.24 million in the same period in 2020.

Wheat

Algeria is pursuing its strategy to control imports, reduce spending and encourage domestic production for many products including wheat. The government of Algeria (GoA)'s goal to reduce durum as well as bread wheat imports remains a priority.

As outlined above in the production section, a new road map for the agriculture sector has been implemented to achieve food security, increase domestic production, reduce imports of some expensive commodities by investing locally to develop the strategic agricultural commodities. Among these commodities is bread wheat. Under this roadmap, the government aims to reduce the import bill for bread (common) wheat by -\$400 million. (see Policy section). This decision might be linked to the one reported in 2020 by several international institutions, regarding the establishment of an upper import limit of 4 million metric tons (MMT) for bread (common) wheat per year.

Moreover, the efforts undertaken to produce durum locally to reduce imports have shown improvements in recent years. In addition, the government encourages consumption of barley and durum wheat (that are produced locally) to reduce consumption of bread (common) wheat to control imports.

However, Algeria still needs to import wheat (mainly bread wheat) to fulfil the domestic demand and stocks.

Press reports from European traders indicated that the Algerian Office of Cereals (OAIC) purchased wheat on the international market during the last quarter of CY2020 and again in January 2021. The reports also indicated that the last two OAIC's notices of tenders (December 3, 2020 and January 18, 2021) are part of its procurement program for the 2020/2021 marketing year. Traders believed the wheat was likely sourced from the Baltic Sea region or elsewhere in the western European Union, possibly Germany or France. Traders also indicated that the poor French harvest has sharply reduced export supplies and is expected to lead other EU countries to increase export sales to Algeria this season. Russia's high wheat prices should give the western EU and Baltic region a continued advantage regarding Algerian purchases for the near future.

Traders' March reports indicate that OAIC has purchased wheat again from Germany and Baltic suppliers in February and March for delivery in March and April. Algeria does not release the results of its tenders and the trade reports are based on trade estimates.

Post maintains wheat imports forecasts at 6.5 MMT in MY2021/22. Considering the strategy to import less durum and produce it locally, the new emphasis on improving domestic production for bread (common) wheat to control its imports, Post maintains USDA's official forecast figure for wheat imports during MY2020/21 at 6.5 MMT. Post also maintains the official USDA figures for MY2019/20 for wheat imports.

**Table: Algeria Durum Wheat Imports by Origin (MT)
(Year Ending)**

Reporter	Year Ending (UOM1: n/a)				
	2017	2018	2019	2020	January 2021
Mexico	454471	152289	260535	63000	
Ukraine	0	0	0	0	
Canada	870638	1301151	665203	1001011	485093
United States Consumption	81521	191497	123724	78852	73896
EU 28 External Trade	72890	70589	19800	48286	
Kazakhstan	0	5000	0	0	0
Australia	0	32850	0	0	0

Source: Trade Data Monitor, LLC

Barley

Algeria's barley imports are weather-driven. In general, bad pasture conditions result in increased demand for barley. As mentioned above, the NDVI charts showed dry pockets in the highlands and western areas where barley is mostly grown. This could affect barley production which will increase demand for import.

European trader reports indicate that ONAB (the Algerian Office for Animal Feed) tendered barley purchases in March 2021 for April shipment.

Post increased barley imports forecasts figures for MY2020/21 and MY2021/22. Post maintains the same forecast for both marketing years as crop conditions for barley might also be affected this year.

Corn

Argentina remains the number one supplier of corn to Algeria as Algeria's preference for some qualitative aspects and specifications of Argentine corn (color and absence of dust and foreign material) over U.S. corn as well as price competitiveness remains.

Algerian Customs data for 11 months in 2020 show a small increase in the value of corn imports. This might be due to worldwide commodity price increases. That does not necessarily mean that volumes increased. The table below shows that the volume imported in 2020 could be smaller than the volumes imported in 2019. In addition, Algeria is encouraging corn production. The new road map for agriculture development includes saving \$17.6 million from corn imports. (See policy section).

Table: Algeria Corn Imports by Origin (MT) (Calendar Year)

Reporter	Calendar Year (UOM1: T)					January-February		
	2016	2017	2018	2019	2020	2020	2021	%Δ 2021/20
_Total		4103739	4122129	5303166		840147		
Argentina	2647267	3235553	3394214	3782608	3240672	303012		
Brazil	507014	493866	649297	518574	902845	74983	130986	74.69
Ukraine	115500	128984	30207	947406	772579	462073		
United States Consumption	678596	75373	47953	21	63500	0		
EU 28 External Trade	52968	14004	23	53996	102	79		
Turkey	149	81	308	561	26	0		
South Africa	0	0	78	0	0	0		
Egypt	0	0	50	0	0	0		
Paraguay	0	155879	0	0	0	0	0	0
Russia	84323	0	0	0	0	0		

Source: Trade Data Monitor, LLC

DDGS

The high duties (30 percent) continue to discourage import of distiller's dried grains with solubles (DDGS) despite successful trials conducted in the previous years. 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) remain applicable.

Soybean Meal

The poultry feed industry drives the demand for soybean meal in Algeria. The strategy to reduce imports as mentioned in the production section above is showing results. Soybean meal imports fell by (-34.90 percent) in value. Even though data was for the first 11 months of 2020, the table below shows that import volumes declined.

Argentina imports declined by 61.5 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 since CY2018. The lack of price competitiveness and consumer's preference toward Argentine qualitative aspects and specifications still dominates.

**Table: Algeria Soybean Meal Imports by Origin (MT)
(Calendar Year)**

Reporter	January - December (UOM1: T)			Market Share (%)			Change 2020/2019	
	2018	2019	2020	2018	2019	2020	Amount	Percent
_Total	1432516	1434695		100	100			
Argentina	1384216	1404902	540753	96.63	97.92	97.67	-864150	-61.51
EU 28 External Trade	10765	0	12880	0.75	0	2.33	12880	0
Paraguay	37535	29793	0	2.62	2.08	0	-29793	-100

Source: Trade Data Monitor, LLC

This downward trend might continue, not only because of the import control policy and domestic production, but also soybeans imports are taking over the market. A crushing plant began operation at the end of 2019 and others are opening soon. The aim is to produce soybean oil and meal locally. The Global Agricultural Trade System (GATS) shows U.S. exports of soybeans occurred in 2019 (\$10.6 million) and increased to \$36.5 million in 2020, (243.7 percent increase). This upward trend in soybeans imports should continue given the new crushing plants that will soon be operational.

Soybean meal is not exempt from VAT. In addition, soybean meal's VAT increased in 2017, from seven to nine percent as part of fiscal measures. This increase remains applicable.

Rice

Algerian rice imports are very irregular. Imports increased over the past years due to population growth and the introduction of rice into Algerian diets. However, rice import trends will also be driven by the overall policy to control imports.

The figures below show some importing countries losing market share. Rice imports have traditionally originated from Thailand, India, and Vietnam. India is increasing its market share currently comprising the biggest part of the market. Private importers take advantage of good prices to buy rice in small containers. U.S. prices are not competitive against the Asian market of rice suppliers to Algeria.

**Table: Algeria Rice Imports by Origin (MT)
(Calendar Year)**

Reporter	January - December (UOM1: T)			Market Share (%)			Change 2020/2019	
	2018	2019	2020	2018	2019	2020	Amount	Percent
_Total	131943	107270		100	100			
India	59448	65913	113776	45.06	61.45	82.75	47862	72.61
Thailand	66532	38979	17378	50.43	36.34	12.64	-21601	-55.42
Uruguay	1000	1553	2140	0.76	1.45	1.56	588	37.84
Brazil	580	48	1808	0.44	0.04	1.32	1761	3698.74
Myanmar	0	0	1473	0	0	1.07	1473	0

EU 28 External Trade	3750	607	634	2.84	0.57	0.46	27	4.37
Turkey	0	50	278	0	0.05	0.20	228	455.12
South Korea	7	0	6	0.01	0	0	6	2399.59
Paraguay	26	0	0	0.02	0	0	0	0
Jordan	0	120	0	0	0.11	0	-120	-100
Argentina	600	0	0	0.46	0	0	0	0

Source: Trade Data Monitor, LLC

Pulses

Algeria's imports of pulses are mostly beans, lentils, chickpeas, and beans for seeding. As mentioned above, Algeria's pulses imports fell from \$212.49 million in January-November 2019 to \$175.24 million during the same period in 2020. The figures below show a decrease in import volumes from 2018 to 2019; this will likely be the case for 2020. Even if the 2020 total is only 11 months, the figures are far behind.

The Algerian market is price sensitive and U.S. prices are not competitive with other origins. However, U.S. pulse exports to Algeria have trended upward for the past several years. U.S. exports shared 3 percent of the market in 2020.

**Table: Algeria Pulse Imports by Origin (MT)
(Calendar Year)**

Reporter	January - December (UOM1: T)			Market Share (%)			Change 2020/2019	
	2018	2019	2020	2018	2019	2020	Amount	Percent
_Total	241938	231597		100	100			
Canada	74517	62796	60254	30.80	27.11	33.76	-2542	-4.05
Mexico	33789	22676	27268	13.97	9.79	15.28	4592	20.25
Turkey	19615	27244	24528	8.11	11.76	13.74	-2716	-9.97
Egypt	31375	18559	21936	12.97	8.01	12.29	3377	18.20
India	36576	35874	21817	15.12	15.49	12.22	-14057	-39.18
Argentina	33818	48059	11922	13.98	20.75	6.68	-36137	-75.19
United States Consumption	3347	2616	5206	1.38	1.13	2.92	2589	98.95
EU 28 External Trade	2639	2111	1834	1.09	0.91	1.03	-277	-13.13
Russia	1282	10024	1585	0.53	4.33	0.89	-8439	-84.19
New Zealand	2074	1400	1454	0.86	0.60	0.82	54	3.89
Chile	0	0	311	0	0	0.17	311	0
Brazil	0	72	265	0	0.03	0.15	193	267.53
Peru	0	69	55	0	0.03	0.03	-14	-20.16
Ukraine	2380	0	48	0.98	0	0.03	48	0
Australia	0	0	23	0	0	0.01	23	0
China	5	0	0	0	0	0	0	0
Ethiopia	480	23	0	0.20	0.01	0	-23	-100
Saudi Arabia	42	0		0.02	0			
Jordan	0	75	0	0	0.03	0	-75	-100

Source: Trade Data Monitor, LLC

Stocks

On February 9, 2020, the Minister of Agriculture reported to the Algerian Senate Agriculture Committee, that his sector is working to consolidate the domestic capacities for cereal collection and storage. Construction of nine concrete silos with a storage capacity of 3.5 million quintals are finished. The MoA will launch a series of silos construction; fifteen metal silos with a storage capacity of 4.2 million quintals, and sixteen metal silos with 2.5 million quintals storage capacity along with a collection center for cereals. These storage projects will be in the south and regions that constitute new production hubs under the new development strategy.

However, it was previously reported that the Algerian Office of Cereals (OAIC) undertook (via tendering) the construction of thirty-nine silos in over approximately a decade. These silos were to increase storage capacity for durum, bread wheat, and barley from 5MMT to more than 6MMT.

These new projects present an opportunity to U.S. suppliers of silos and equipment to participate in the development of the grain storage sector.

Policy

Agriculture Strategy

In July 2020, the GoA implemented a new policy to develop the agriculture sector. This new strategy aims to achieve food security, increase domestic production, reduce imports of some expensive commodities by encouraging investments locally to develop the strategic agricultural sectors.

On July 26, 2020, the Minister of Agriculture presented during the Ministers Council, a five-year roadmap (2020-2024) for the development of the agriculture sector. On February 9, 2021, the Minister indicated to the Algerian Senate Agriculture Committee that the new strategy aims to significantly reduce imports by \$2.5 billion of some expensive agricultural commodities including grains, milk powder, sugar, and vegetable oils.

As reported in the media, the government aims to reduce the import bill for bread (common) wheat by (-\$400 million), corn by (-\$17.6 million), vegetable oils by (-\$983 million), sugar by (\$-555 million), industrial tomatoes by (\$-55 million) and potato seeds by (-\$42 million) as well as garlic by (-\$12 million).

Opportunities for Foreign investment

The Government of Algeria's plan focuses on reviving and diversifying the Algerian economy toward sustainable growth. Following the decline in oil prices, Algeria pledged to diversify the Algerian economy and attract foreign and domestic investment outside the energy sector. In addition, the GoA aims to improve the business climate, develop the strategic sectors, promote exports, and control imports. The GoA revised the scope of partnership rule 49/51 for any activity producing goods and services ([Journal Officiel No 33 of June 4, 2020](#)). These activities are open to foreign investment

without obligation of association with a local party. However, this provision excludes product purchase/resale activities and those of a strategic nature. The latter remain subject to resident national shareholding participation up to 51%.

As mentioned above, in the context of the new strategy, the GoA encourages modern industrial agriculture, using new technologies, digitization as well as innovative tools and renewable energies. The new policy prioritizes investment in agricultural products to ensure food security in Algeria. The government encourages large-scale agricultural investments in the highlands and the “Sahara” (South of Algeria). In addition, it promotes foreign direct investment and partnerships particularly in the field of cereals, oilseeds, and sugar productions as well as crushing and refinery projects that generates processing to support the processing industry. Such projects include supporting the increase of grain storage facilities as well as cold chain and packaging projects.

At the same time, the Ministry of Agriculture is creating an office to promote industrial agriculture investments in those areas. This office will facilitate procedures for investors (local and foreign) in their projects.

U.S. industry can contribute to this development. The U.S.’s niche is in providing advanced agricultural technologies, livestock, and seeds needed to establish and operate integrated production models in Algeria.

Agriculture Policy

Subsidies: The GoA decided to give an additional transitional period to the wheat industry before implementing the decrees related to lifting the wheat subsidies.

In September 2020, the GoA decided to no longer subsidize durum wheat for pasta processing or bread (common) wheat not destined for bread production. Two executive decrees were published in the [Journal Officiel no 52 on September 2, 2020](#). The first Executive Decree, (no 20-241 of August 31, 2020), modifies the Decree 96-132 of April 1996 published in the [Journal officiel No 23 on April 14, 1996](#). By this decree, the Algerian Office of Cereals (OAIC) would sell bread (common) wheat to flourmills at a non-subsidized price. This wheat is intended for processing into other types of flour, but not intended for bread production. OAIC would only subsidize bread (common) wheat that is processed into flour that goes to bread production. The second [Decree](#) is the Executive Decree No 20-242 of August 31, 2020. By this decree, OAIC would sell durum wheat intended for producing pasta, couscous, and other processed products to mills at a non-subsidized price. Two months later, the Ministry of Commerce announced the postponement of the implementation of these decrees.

This transition period will allow industry professionals time to adjust, while ensuring sustainable market supply. The decision to end subsidies took industry operators by surprise, leading to supply issues and a subsequent price hike for certain products.

However, no timeframe for the implementation of these decrees has been specified. When the implementation of these decrees takes effect, private importers would be able to import wheat without price competition constraints. Currently, private importers are free to import but cannot compete with OAIC price for imported wheat. The OAIC is by default the only viable wheat importer because private

importers cannot compete with the losses OAIC makes on the resale of imported wheat due to the subsidy. The government increased procurement prices of the domestic wheat crop from farmers to a level competitive with international market prices in 2008, with the goal of increasing production and encouraging grain collection. The government supports the differential between the import price and the sale price to millers.

Temporary Additional Safeguard Duty: The [temporary additional safeguard duty \(Droit Additionnel Provisoire de Sauvegarde, \(DAPs\)\)](#), implemented in January 2019 and revised in April 2019 remains. In September 2020, the Algerian Ministry of Commerce reported that the list of products subject to the DAPs is being extended and would be published. Currently, grains are not subject to the DAPs.

For background, the list of goods subject to the temporary additional safeguard duty and the corresponding rates were published in the [Journal Officiel No 06 of January 27, 2019](#) as part of the Ordinance of January 26, 2019. The list included 1,095 items, of which food items represent 60% of the list. Most of the food items on the list are processed and high value products. Later, on April 21, 2019, the government updated the list to temporarily exclude some food items from the DAPS.

Marketing

FAS Algiers is actively engaged in promoting trade with the United States. FAS Algiers invites all U.S. exporters and Cooperators interested in doing business in the Algerian market to take advantage of the opportunities presented in the new development strategy.

FAS Algiers would like to increase the number of cooperators already active in Algeria. FAS Algiers routinely works with: 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.). In collaboration with these cooperator groups, we carry out technical workshops, seminars, trade missions, technical exchange programs and many other activities in Algeria. The COVID-19 pandemic has moved many of these activities to a virtual platform, that will likely continue through the end of 2021.

In addition, FAS Algiers promotes U.S. agricultural products in Algerian domestic shows. FAS Algiers regularly participates in the following shows annually:

- The International Food and Agribusiness Show ([SIAG](#)) in Oran (second largest city in Algeria) usually in March.
- The ([SIPSA Show \(Agri-business and Livestock Trade Exhibition\)](#)) in Algiers usually in October, promoting U.S. agricultural products. FAS Algiers invites U.S. exporters and cooperators to consider participating in those events when it is safe to do so.

Please contact us at AgAlgiers@fas.usda.gov.

Wheat	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jul 2019		Jul 2020		Jul 2021	
Algeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2074	2074	2075	2074	0	2074
Beginning Stocks (1000 MT)	5219	5219	5360	5360	0	4710
Production (1000 MT)	3950	3950	3900	3900	0	3900
MY Imports (1000 MT)	7147	7147	6500	6500	0	6500
TY Imports (1000 MT)	7147	7147	6500	6500	0	6500
TY Imp. from U.S. (1000 MT)	277	277	0	119	0	0
Total Supply (1000 MT)	16316	16316	15760	15760	0	15110
MY Exports (1000 MT)	6	6	10	0	0	0
TY Exports (1000 MT)	6	6	10	0	0	0
Feed and Residual (1000 MT)	50	50	50	50	0	50
FSI Consumption (1000 MT)	10900	10900	11000	11000	0	11150
Total Consumption (1000 MT)	10950	10950	11050	11050	0	11200
Ending Stocks (1000 MT)	5360	5360	4700	4710	0	3910
Total Distribution (1000 MT)	16316	16316	15760	15760	0	15110
Yield (MT/HA)	1.9045	1.9045	1.8795	1.8804	0	1.8804

(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 2021/2022 = July 2021 - June 2022

Barley	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jul 2019		Jul 2020		Jul 2021	
Algeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1026	1026	1025	1026	0	1026
Beginning Stocks (1000 MT)	790	790	998	1270	0	770
Production (1000 MT)	2000	2000	1845	1000	0	1000
MY Imports (1000 MT)	558	430	700	500	0	500
TY Imports (1000 MT)	503	250	700	500	0	500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	3348	3220	3543	2770	0	2270
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)	2000	1600	2200	1650	0	1700
FSI Consumption (1000 MT)	350	350	350	350	0	350
Total Consumption (1000 MT)	2350	1950	2550	2000	0	2050
Ending Stocks (1000 MT)	998	1270	993	770	0	220
Total Distribution (1000 MT)	3348	3220	3543	2770	0	2270
Yield (MT/HA)	1.9493	1.9493	1.8	0.9747	0	0.9747

(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 2021/2022 = October 2021 - September 2022

Attachments:

No Attachments