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Report Name: Grain and Feed Annual

Country: Tunisia

Post: Tunis

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Report Highlights:

Wheat and barley crops have suffered from rainfall deficits. Post forecasts MY 2020/21 wheat and barley production at 900,000 MT and 400,000 MT, respectively, with imports at 2.2 MMT and 660,000 MT.

Executive Summary:

MY 2020/21

Post forecasts MY 2020/21 wheat production at 900,000 MT and barley production at 400,000 MT.

- Unfavorable weather conditions from October to December discouraged farmers to seed larger areas. Tunisia's MY 2020/21 seeded area for wheat decreased compared to MY 2019/20 from 700,000 HA to 556,000 HA, of which 495,000 HA is durum wheat and 61,000 HA is common wheat. The seeded area for barley is 518,000 HA, down from 617,000 HA last year. Irrigated area of wheat and barley increased from 71,000 HA to 74,000 HA.
- Although rainfall was recorded in early March, it was not enough to catch up on lost vegetative growth. As a result, Post expects Tunisia's wheat and barley production will fall below average.
- Wheat yields remain dependent on April rainfall, as this period has high influence on Tunisian yields.

Tunisia's wheat consumption in MY 2020/21 is forecast at 3.1 MMT, reflecting trend average growth of roughly 2.5 percent. Barley consumption in MY 2020/21 is forecast at 1.08 MMT, reflecting trend average growth of roughly three percent annually from MY 2018/2019.

To cover demand while maintaining stock levels, Post forecasts Tunisia's wheat imports in MY 2020/21 at 2.2 MMT while barley imports are forecast at 660,000 MT.

MY 2019/20

Post adjusts the MY 2019/20 balance sheet to reflect official harvested area and production for wheat and barley. Post also increases the MY 2019/20 estimate for wheat imports to 1.64 MMT to meet slightly growing domestic consumption while maintaining stocks at the usual level. Barley is decreased to 300,000 MT, reflecting higher final production figures and trade data.

Below average vegetative growth has decreased opportunities for grazing. As a result, barley consumption has increased above the average growth trend (about three percent). Barley consumption is estimated at 1.13 MMT in MY 2019/20.

MY 2018/19

In MY 2018/19, Post revised down barley ending stocks to 26,000 MT based on final Tunisian numbers. Ending stocks were maintained at an unusually low level in preparation of the following marketing year bumper crop.

Commodities:

Wheat

Barley

Area

According to the Ministry of Agriculture¹, Tunisia's MY 2020/21 seeded area for wheat decreased to 556,000 HA from 700,00 HA in MY 2019/20, of which 495,000 HA is durum wheat and 61,000 HA is common wheat. The seeded area for barley is 518,000 HA, down from 617,000 HA last year. Irrigated area of wheat and barley increased from 71,000 HA to 74,000 HA.

Tunisia: Wheat and Barley Area by Year

	MY 15/16	MY 16/17	MY 17/18	MY 18/19	MY 19/20	MY 20/21
Wheat, Seeded	650	647	724	612	700	556
- Durum	540	536	617	530	614	495
- Common	110	111	107	82	86	61
Barley, Seeded	526	534	666	522	617	518
Wheat and Barley, Seeded	1,176	1,181	1,390	1,134	1,317	1,074
Wheat, Harvested	546	550	579	536	596	490
- Durum	453	451	494	464	518	435
- Common	93	99	85	72	78	55
Barley, Harvested	379	380	393	314	471	413
Wheat and Barley, Harvested	925	930	972	850	1,067	903

Source: Tunisian Ministry of Agriculture; *FAS/Tunis forecast MY 20/21 harvested area

Production

Post forecasts MY 2020/21 wheat production at 900,000 MT and barley production at 400,000 MT. Due to unfavorable weather conditions (rainfall deficit/low soil moisture), planting was pushed back to late December. (Planting normally runs mid-October to mid-December). The wheat and barley crops have not received adequate rainfall to date. As a result, the crops appear to be below average condition at present with low vegetation growth, however with no significant pest or disease issues. Some analysts believe that the production could drop by as much as 30 to 50 percent compared to last year, especially if the crops does not receive sufficient rainfall in April. Availability of seeds and fertilizers was reported as normal during seeding.

Following official Tunisian estimates, Post slightly revised production downward in MY 2019/20 from 1.5 MMT to 1.454 MMT for wheat and significantly upward from 650,000 MT to 912,000 MT for barley following a better than expected harvest. Post revised down barley ending stocks in MY 2018/2019 to 26,000 MT based on final official Tunisian numbers.

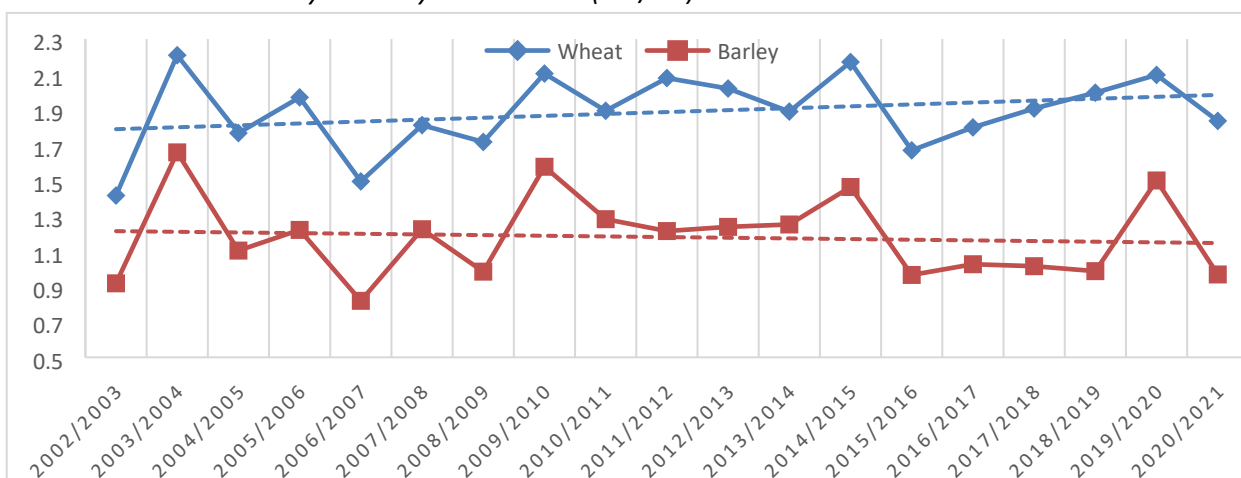
¹ Tunisia's official production estimates are reported by the state-run "Office des Cereales" (Cereal Board), which is under the supervision of the Ministry of Agriculture. In general, Tunisian production estimates are performed by the Ministry of Agriculture through an annual survey and in collaboration with the National Remote Sensing Center, which provides estimates based on satellite imagery.

Tunisia: Wheat and Barley Production by Year

	MY 15/16	MY 16/17	MY 17/18	MY 18/19	MY 19/20	MY 20/21
Wheat	912	990	1,104	1,070	1,454	900
- Durum	756	840	929	960	1,267	783
- Common	156	150	175	110	187	117
Barley	366	390	399	310	912	400

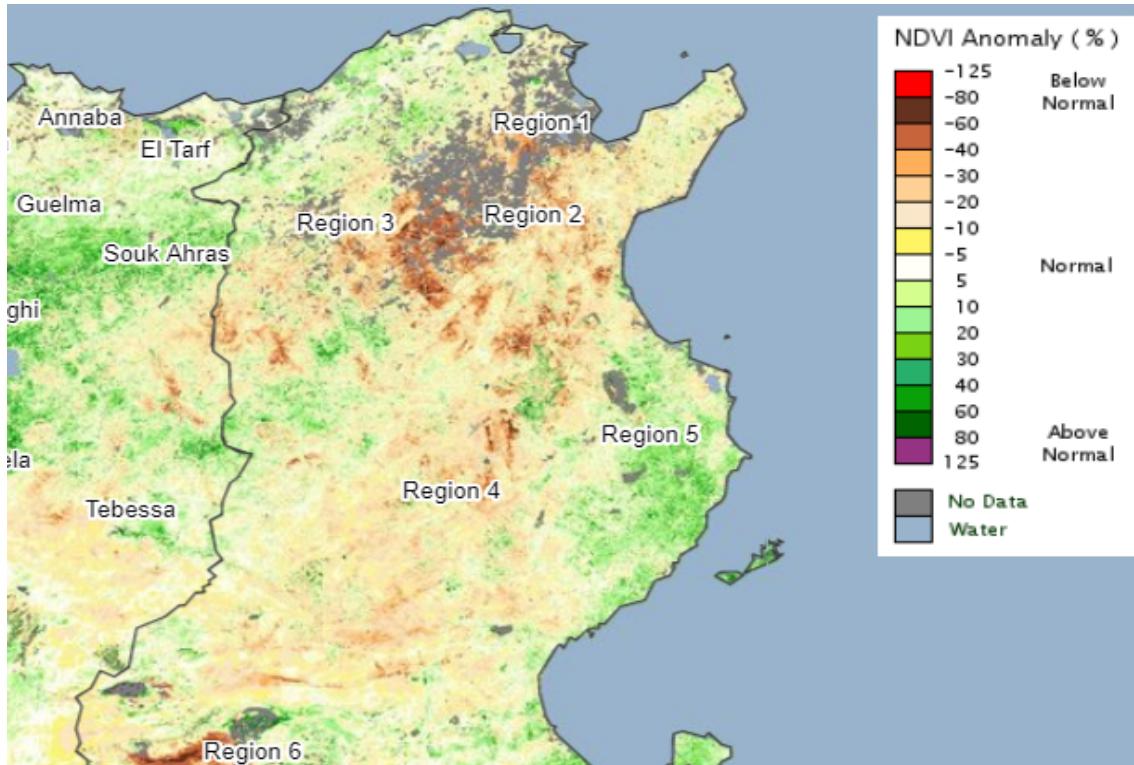
Source: Tunisian Ministry of Agriculture; FAS/Tunis forecast (MY 20/21)

Tunisia: Wheat and Barley Yields by Market Year (MT/HA)

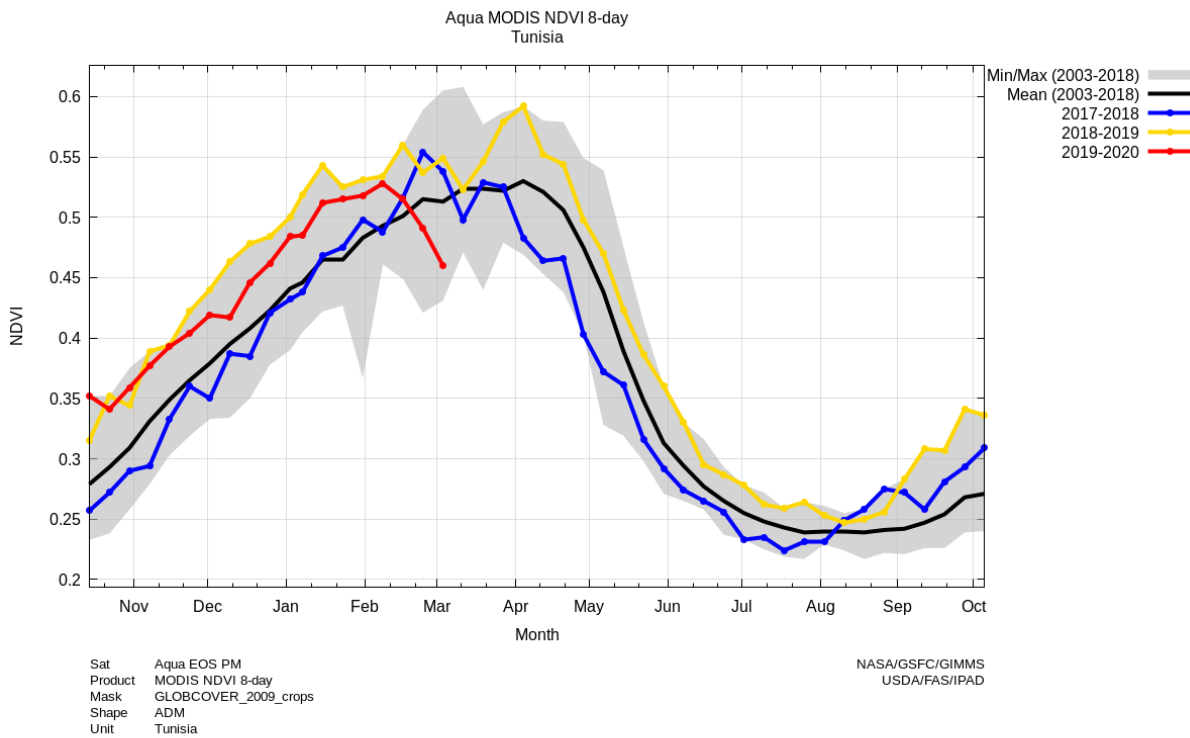


Source: Official USDA estimates; FAS/Tunis forecast (MY 20/21)

Tunisia: Aqua MODIS NDVI Anomaly, 02/26/2020-03/04/2020



Tunisia: MODIS NDVI, Times Series October 2019-March 2020



Policy: Tunisia's domestic support policies remain unchanged from MY 2019/20. To achieve the government's self-sufficiency goal of reaching average annual production of 2.9 MMT for cereals, of which 1.7 MMT is durum wheat, state-sponsored programs include:

- Guaranteeing farm-gate prices:
 - 820 TD/MT for durum wheat (\$288/MT)
 - 590 TD/MT for common wheat (\$207/MT)
 - 530 TD/MT for barley (\$186/MT)
- Subsidizing certified seeds
- Subsidizing 50 percent of agricultural machinery costs and 40-50 percent of irrigation equipment costs
- Subsidizing irrigation water \$0.07/m³ (32 percent of the cost) to encourage increasing irrigated wheat area to 120,000 HA
- Providing technical assistance to irrigated wheat farmers to increase yields.

Tunisia's Office des Cereales (Cereal Board) formally maintains its monopoly on the inventory, purchase, and sale of wheat and barley for the domestic market. However, collection of local production has been privatized for both crops. Collection by the Cereal Board currently accounts for 40-60 percent of wheat production and 10-40 percent of barley production.

Consumption

Wheat

Post expects total domestic consumption to slightly rise on a per capita basis at 265 kg in 2020/21, based on a population of 11.69 million, at around 3.1 MMT.

Post revises "Ending Stocks" estimates from 787,000 MT to 751,000 MT in MY 2019/20 to balance the PSD table with final production number.

Policy: Tunisia plans to reform its subsidy system, which continues to press the state budget and does not target the needy segment of population. However, reforms have been continuously postponed and Tunisia has made no changes in its subsidized flour and bread prices.

Barley

Below average vegetative growth has decreased opportunities for grazing. As a result, barley consumption has increased above the average growth trend (about three percent). Barley consumption is estimated at 1.13 MMT in MY 2019/20. Barley is consumed mainly in feedlots and as supplemental feed, especially when rangelands are stressed.

Trade

Wheat

Post expects imports to reach 2.2 MMT in MY 2020/21 while increasing the MY 2019/20 estimate to 1.64 MMT to reflect a slightly growing consumption on a year-to-year basis.

Tunisia: Wheat Imports (1,000 MT)

	MY 15/16	MY 16/17	MY 17/18	MY 18/19	Jul 18 - Jan 19	Jul 19 - Jan 20
Wheat	2,098	2,090	2,021	1,922	1,033	930
- Durum	877	876	741	685	295	128
- Common	1,221	1,214	1,280	1,237	738	802

Source: Tunisian National Institute of Statistics

Tunisia sources most of its imported wheat from Ukraine, Russia, and Italy, while to a lesser extent from Greece, Spain, and France.

Policy: Imports and exports of wheat and wheat products are generally controlled by the Cereal Board. Cereal Board tenders for imported wheat are destined for domestic use. Private millers may import wheat under a temporary admission regime, but are required to export the finished product after milling occurs in Tunisia. Exports of Tunisian wheat products require an export license.

Barley

For MY 2020/21, barley imports are forecast to reach 660,000 MT to accommodate domestic consumption. For MY 2019/20, Post decreases its barley import estimate to 300,000 MT to reflect higher production.

Tunisia: Barley Imports (1,000 MT)

	MY 15/16	MY 16/17	MY 17/18	MY 18/19	Jul 18 - Jan 19	Jul 19 - Jan 20
Barley	558	603	615	724	448	211

Source: Tunisian National Institute of Statistics

Tariff Table

HS code	Average of AV Duties (2016)	Average of AV Duties (2015)	Exchange Rate NC/US\$	Description
1001	36	0	2.15	Wheat and meslin.
1003	36	36	2.15	Barley
1101	36	36	2.15	Wheat or meslin flour.
190219	36	36	2.15	Uncooked pasta, not stuffed or otherwise prepared, not containing eggs
190230	36	36	2.15	Pasta, cooked or otherwise prepared (excl. stuffed)
190240	36	36	2.15	Couscous, whether or not prepared

Source: World Trade Organization

Production, Supply and Distribution (PSD) Statistics

Wheat Market Begin Year Tunisia	2018/2019		2019/2020		2020/2021	
	Jul 2018		Jul 2019		Jul 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	536	536	620	596	0	490
Beginning Stocks	784	784	707	707	0	751
Production	1070	1070	1500	1454	0	900
MY Imports	1814	1814	1600	1640	0	2200
TY Imports	1814	1814	1600	1640	0	2200
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	3668	3668	3807	3801	0	3851
MY Exports	11	11	20	20	0	10
TY Exports	11	11	20	20	0	0
Feed and Residual	100	100	100	100	0	100
FSI Consumption	2850	2850	2900	2930	0	3000
Total Consumption	2950	2950	3000	3030	0	3100
Ending Stocks	707	707	787	751	0	741
Total Distribution	3668	3668	3807	3801	0	3851
Yield	1.9963	1.9963	2.4194	2.4396	0	1.8367
(1000 HA) ,(1000 MT) ,(MT/HA)						

Barley Market Begin Year Tunisia	2018/2019		2019/2020		2020/2021	
	Jul 2018		Jul 2019		Jul 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	314	314	400	471	0	413
Beginning Stocks	90	90	29	26	0	108
Production	310	310	650	912	0	400
MY Imports	639	639	500	300	0	660
TY Imports	487	487	500	300	0	660
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	1039	1039	1179	1238	0	1168
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	930	933	1000	1050	0	1000
FSI Consumption	80	80	80	80	0	80
Total Consumption	1010	1013	1080	1130	0	1080
Ending Stocks	29	26	99	108	0	88
Total Distribution	1039	1039	1179	1238	0	1168
Yield	0.9873	0.9873	1.625	1.9363	0	0.9685
(1000 HA) ,(1000 MT) ,(MT/HA)						

Attachments:

No Attachments