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GAIN Report #TS2001

Tunisia

Grain and Feed

Annual

2002

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Report Highlights:

Due to another year of below average rainfall, Tunisian cereals production in 2002 is predicted to decline further. This should keep imports of both wheat and barley at high levels, similar or higher to MY 2001/2002. Despite the difficulties of competing with European wheat, in an almost purely price-sensitive market, U.S. marketing efforts with Tunisia end-users are continuing. The lion's share of corn imports were sourced in the US.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Rabat [MO1], TS

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Production

With continued dry weather, the approaching 2002 harvest is expected to be lower still than the year before. Dry weather conditions continued for the fourth consecutive year in central and southern Tunisia, while below normal rainfall occurred until mid-April in northern Tunisia. However, this rainfall was followed by several very hot days with a Sirocco wind blowing from the Sahara desert. These weather conditions have triggered outbreaks of fungi type diseases that will affect negatively cereals crops production. Production estimates for 2002 assume that favorable climate conditions will prevail until harvest time in the areas where crop conditions are still relatively good.

Average Yield MT/Ha Harvested

	2000	2001	2002
Wheat	1.45	1.15	1.3
Barley	0.76	0.60	0.48

Tunisian Durum Production (000's MT)

MY (July-June)	2000	2001	2002
Area Harvest	650	750	400
Production	850	900	520

Trade

Wheat imports in MY (July-June) 2001 remained high at about the same level as in the previous year while barley imports soared because of the below-average production, coupled with Tunisia taking advantage of attractive international prices to build up its wheat stocks. With another low harvest, imports in 2002/2003 are forecast to remain high. A small portion of wheat imports were sourced from the United States, due to the fact that U.S. wheat export prices continued to be higher than the heavily subsidized EU export prices during the key buying period. The fact that the milling and baking industries succeeded, in a few instances, in getting American wheat purchase, can be attributed to the continuing aggressive market promotion efforts developed by U.S. Wheat Associates. This American wheat was used as an improver wheat in their operations. In a liberalized system, the price/quality rates would likely have dictated more American wheat purchases, but the GOT purchasing agency continues to respond to a GOT mandate to minimize import costs. Thus the Tunisian wheat market continues to be price sensitive, and quality plays a small role in GOT purchasing decisions.

Barley imports in MY (June-May) 2001 almost doubled compared to the previous year's level due to livestock farmers relying heavily on barley and compound feeds in the absence of pastures due to continuing drought to feed/keep their livestock alive.

Corn imports in MY (Sep-Aug) 2001 increased substantially as a result of the higher production of feed compounds to meet needs of livestock exacerbated by four consecutive years of drought in many regions of Tunisia coupled with the strengthening of the poultry industry. The lion's share of corn imports were sourced from the US. Corn imports' steady growth over the last several years can be attributed, at least in part, to the continuing aggressive market promotion efforts developed by U.S. Grains Council in Tunisia.

With respect to exports, processed wheat, flour and pasta products are enjoying a steady growing market in Libya and other African countries.

Farm Gate Prices (Tunisian Dinars/MT)

	2000	2001	2002
Bread Wheat	250	250	250
Durum Wheat	285	285	285
Barley	170	170	170

Note: One Tunisian Dinar was worth:
 USD 0.7309 in 2000
 USD 0.6973 in 2001
 USD 0.6849 in 2002

Corn Imports Sources (Market Year 2001 in 000s MT)

US	545	(market share: 67.2%)
Argentina	248	
Other Sources	268	
Total	810	

Policy

The EU-Tunisian Agreement that went into force in January 2001 provides:

- 1- The import from the EU of an annual preferential quota set at 17,000 MT of durum wheat at the current tariff rate of 17 percent and;
- 2- The import from the EU of an annual quota set at 230,000 MT of bread wheat at a tariff rate that will be reduced from 17 percent to zero percent in five equal steps between January 1, 2001 and January 1, 2005. Therefore the tariff rate is presently 13.6 percent.
- 3- The import from EU of an annual preferential quota set at 12,000 MT of barley at the current tariff rate of 17 percent.

Effects of the EU-Tunisia Agreement on U.S. Wheat Exports to Tunisia

With regards to durum wheat, effects should be basically nil as EU countries production of durum wheat is minimal and would barely be sufficient to meet domestic needs. With regards to bread wheat, effects should be moderate to significant, as the phased reduction in tariff rate will make EU wheat more price-competitive.

STATISTICAL SECTION

Wheat

PSD Table						
Country:	Tunisia					
Commodity:	Wheat					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	650	910	950	950	0	840
Beginning Stocks	800	733	857	857	757	717
Production	750	1320	1100	1131	0	700
TOTAL Mkt. Yr. Imports	1300	1390	1400	1329	0	1450
Jul-Jun Imports	1300	1390	1400	1329	0	1450
Jul-Jun Import U.S.	0	250	200	45	0	100
TOTAL SUPPLY	2850	3443	3357	3317	757	2867
TOTAL Mkt. Yr. Exports	100	186	200	200	0	200
Jul-Jun Exports	100	186	100	194	0	200
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	2500	2400	2400	2400	0	2400
Ending Stocks	250	857	757	717	0	273
TOTAL DISTRIBUTION	2850	3443	3357	3317	0	2867

Export Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Wheat		
Time period:	MY Jul00/Jun01		
Exports for	2000		2001
U.S.		U.S.	
Others		Others	
Libya	161	Libya	150
Niger	4	Ivory Coast	23
Senegal	2	Niger	9
Total for Others	167		182
Others not listed	19		12
Grand Total	186		194

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Wheat		
Time period:	MY Jul00/Jun01		
Imports for	2000		2001
U.S.	250	U.S.	45
Others		Others	
Turkey	437	Canada	343
France	409	Argentina	232
Sweden	75	Ukraine	159
Germany	50	Romania	82
UK	25	Russia	65
		Lithuania	54
		Croatie	51
		Bulgaria	50
		Hungary	36
Total for Others	996		1072
Others not listed	144		212
Grand Total	1390		1329

Barley

PSD Table						
Country:	Tunisia					
Commodity:	Barley					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	150	260	250	250	0	150
Beginning Stocks	100	144	134	134	164	280
Production	100	200	150	110	0	70
TOTAL Mkt. Yr. Imports	400	310	400	586	0	400
Oct-Sep Imports	300	250	400	586	0	400
Oct-Sep Import U.S.	0	18	20	20	0	25
TOTAL SUPPLY	600	654	684	830	164	750
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	510	500	500	530	0	550
TOTAL Dom. Consumption	560	520	520	550	0	570
Ending Stocks	40	134	164	280	0	180
TOTAL DISTRIBUTION	600	654	684	830	0	750

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Barley		
Time period:	MY Jun00/May01		
Imports for	2000		2001
U.S.	18	U.S.	0
Others		Others	
UK	96	Ukraine	237
Germany	74	Russia	89
France	73	France	59
Sweden	27	Turkey	53
Spain	22	Romania	41
		Netherlands	28
		Bulgaria	26
Total for Others	292		533
Others not listed			53
Grand Total	310		586