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Report Name: Oilseeds and Products Annual

Country: Tunisia

Post: Tunis

Report Category: Oilseeds and Products

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Report Highlights:

Post forecasts Tunisia's MY 2021/22 soybean imports to reach 640,000 MT, compared to 615,000 MT in MY 2020/21, while at the same time, olive oil exports are forecast to reach 220,000 MT in MY 2021/22, compared to 110,000 MT in MY 2020/21.

OILSEEDS SECTION:

Oilseed, Soybean Market Year Begins Tunisia	2019/2020		2020/2021		2021/2022
	Oct 2019		Oct 2020		Oct 2021
	USDA Official	New Post	USDA Official	New Post	Post Estimate
Area Planted (1000 HA)	0	0	0	0	0
Area Harvested (1000 HA)	0	0	0	0	0
Beginning Stocks (1000 MT)	18	25	18	30	45
Production (1000 MT)	0	0	0	0	0
MY Imports (1000 MT)	610	610	635	615	640
Total Supply (1000 MT)	628	635	653	645	685
MY Exports (1000 MT)	0	0	0	0	0
Crush (1000 MT)	605	526	635	500	540
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	5	79	5	100	110
Total Dom. Cons. (1000 MT)	610	605	640	600	650
Ending Stocks (1000 MT)	18	30	13	45	35
Total Distribution (1000 MT)	628	635	653	645	685

Area Harvested/Production: Tunisian oilseed production remains focused on the olive industry. Although the Ministry of Agriculture encourages Tunisian producers to diversify into rapeseed and sunflower crops, there are no formal programs to support diversification.

Consumption: For MY 2021/22, Post expects Tunisia's crushing facility to return to higher levels following a COVID-related consumption drop in MY 2019/20 and MY 2020/21. This is due in part to an anticipated rebound in Tunisia's food service sector, (a significant poultry and beef consumer), which took a sharp hit during COVID-19. Tunisian millers report that the industry is increasingly moving to direct feed use (full fat soybean). As a result, Post decreases soybean crush to reflect growing direct feed use for MY 2020/21. Tunisian industry further comments that they are moving closer to full production capacity for full fat soybean in MY 2021/22.

Stocks: Industry strives to maintain at least 30 processing days of storage, or about 48,000 MT. Industry sources also confirm beginning and ending stocks in MY 2019/20 were 25,000 and 30,000 MT respectively. In MY 2020/21, ending stocks are revised higher to accommodate declining consumption estimates. Note that despite a growing population, year on year consumption is stagnant due to COVID-19 constraints.

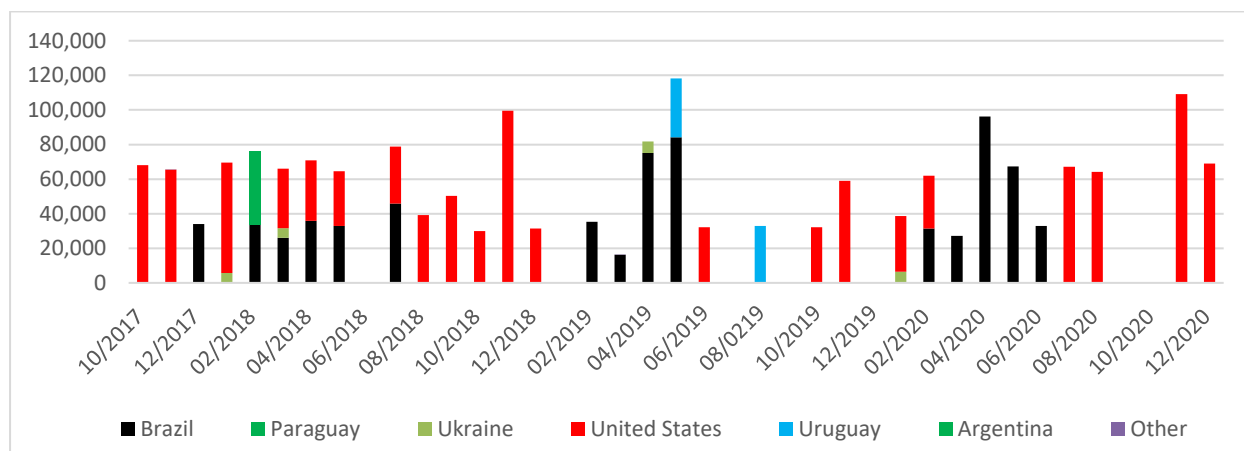
Trade: Change to the MY 2020/21 import estimate reflects estimated consumption declines while the MY 2021/22 import forecast reflects an anticipated return to pre-COVID levels.

Tunisia's trade policy remains unchanged and supports importing oilseeds over meal, with full fat soybean arriving at 0 duty compared to soybean meal at 15 percent (see figure below).

Products	Custom Duties %	Value Added Taxes
Soybean	0	0
Soybean Meal	15	0

Tunisian willingness to pay a premium for U.S. soybean quality continues to grow.

Soybean Exports to Tunisia (MT)



Source: Trade Data Monitor

MEALS SECTION:

Meal, Soybean Market Year Begins Tunisia	2019/2020		2020/2021		2021/2022
	Oct 2019		Oct 2020		Oct 2021
	USDA Official	New Post	USDA Official	New Post	Post Estimate
Crush (1000 MT)	605	526	635	500	540
Extr. Rate, 999.9999 (PERCENT)	0.7851	0.7965	0.79	0.796	0.7963
Beginning Stocks (1000 MT)	31	35	13	11	15
Production (1000 MT)	475	419	500	398	430
MY Imports (1000 MT)	0	0	0	48	50
Total Supply (1000 MT)	506	454	513	457	495
MY Exports (1000 MT)	8	8	10	8	8
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	485	435	490	434	470
Total Dom. Cons. (1000 MT)	485	435	490	434	470
Ending Stocks (1000 MT)	13	11	13	15	17
Total Distribution (1000 MT)	506	454	513	457	495

Production: No significant changes are currently seen or expected in extraction rates. Soybean meal production in MY 2019/20 is revised lower based on industry's final number.

Consumption: Post estimates soybean meal consumption at the same level in MY 2020/2021 as in 2019/2020. For MY 2021/2022, Post expects soybean meal consumption to rebound after the COVID pandemic passes and compound feed demand resumes. Industry reports that animal feed production is expected to surpass 2,300,000 MT in CY 2021. Note that 70 percent of soybean meal is destined for the poultry and egg sectors.

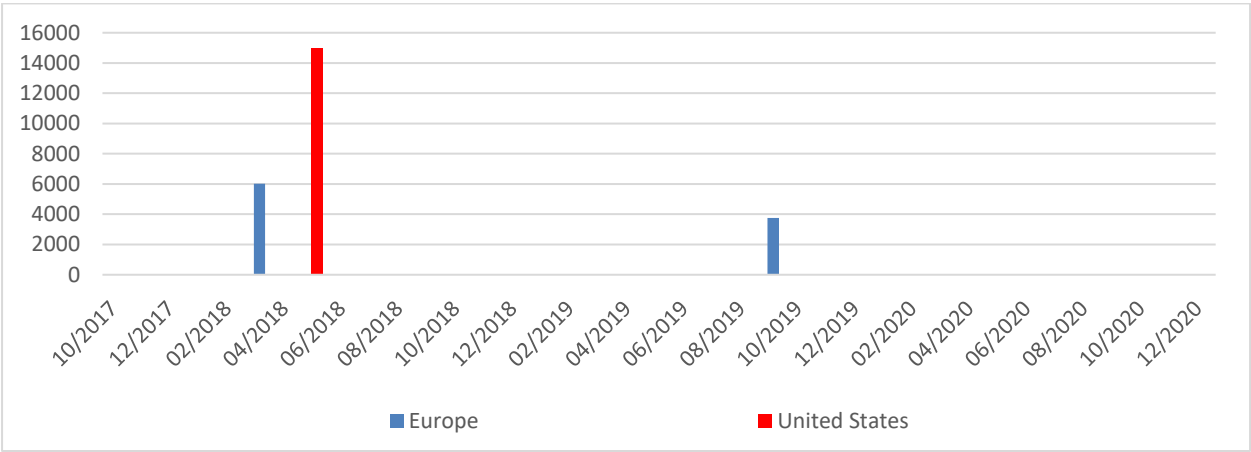
Meals on a Soybean Meal Equivalent Basis (1,000 MT)					
	Description	Conversion Factor	Marketing Year		
			2017/18	2018/19	2019/20
Production			500.4	432.6	485.9
	Soybean Meal ⁽¹⁾	1	490	422	475
	Fish Meal ⁽²⁾	1.445	10.4	10.6	10.9
Imports			50.6	33.3	1.8
	Soybean Meal ⁽¹⁾	1	37	20	0
	DDGS ⁽³⁾	0.58	12.7	12.1	0
	CGM & CGF ⁽³⁾	0.68	0.2	0.5	0.8
	Fish Meal ⁽³⁾	1.445	0.7	0.7	1
	Others ⁽³⁾	0.4515	0	0	0
Exports			12.2	11.1	1.8
	Soybean Meal ⁽¹⁾	1	12	11	8
	Fish Meal ⁽³⁾	1.445	0.2	0.1	0.1
Balance			538.8	455.1	485.9

Source: (1) PSD, (2) Industry, (3) TDM derived data by calculating imports/exports by exporters or importers.

Stocks: Crushing facilities and feed mills each target 30 days of soybean meal stocks. However, in practice stocks are usually around 15 days of consumption.

Trade: Post increases MY 2020/2021 soybean meal imports to offset the marketing year's reduced beginning stocks and production. Soybean meal imports are forecast slightly higher in MY 2021/22 compared to MY 2020/21 on the basis of growing feed demand matched against utilization, local soybean crush capacity, and the trend of feeding full fat soy.

Soybean Meal Exports to Tunisia (MT)



Source: Trade Data Monitor

Tunisian trade contacts report significant soybean exports to Libya. However, these contacts note that the Libyan market is opaque, and data on exported volumes does not exist.

OILS SECTION:

Oil, Olive Market Year Begins Tunisia	2019/2020		2020/2021		2021/2022
	Nov 2019		Nov 2020		Nov 2021
	USDA Official	New Post	USDA Official	New Post	Post Estimate
Area Planted (1000 HA)	1940	1940	1960	1980	2000
Area Harvested (1000 HA)	0	0	0	0	0
Trees (1000 TREES)	92000	92000	94000	94000	96000
Beginning Stocks (1000 MT)	21	21	15	25	12
Production (1000 MT)	390	400	175	140	270
MY Imports (1000 MT)	2	2	2	2	2
Total Supply (1000 MT)	413	423	192	167	284
MY Exports (1000 MT)	353	353	130	110	220
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	45	45	48	45	46
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0
Total Dom. Cons. (1000 MT)	45	45	48	45	46
Ending Stocks (1000 MT)	15	25	14	12	18
Total Distribution (1000 MT)	413	423	192	167	284

Oil, Soybean Market Year Begins Tunisia	2019/2020		2020/2021		2021/2022
	Oct 2019		Oct 2020		Oct 2021
	USDA Official	New Post	USDA Official	New Post	Post Estimate
Crush (1000 MT)	605	526	635	500	540
Extr. Rate, 999.9999 (PERCENT)	0.1851	0.1825	0.1858	0.184	0.1889
Beginning Stocks (1000 MT)	7	6	13	16	18
Production (1000 MT)	112	96	118	92	102
MY Imports (1000 MT)	85	85	95	90	100
Total Supply (1000 MT)	204	187	226	198	220
MY Exports (1000 MT)	1	1	5	5	5
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	190	170	205	175	200
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0
Total Dom. Cons. (1000 MT)	190	170	205	175	200
Ending Stocks (1000 MT)	13	16	16	18	15
Total Distribution (1000 MT)	204	187	226	198	220

Oil, Palm Market Year Begins Tunisia	2019/2020		2020/2021		2021/2022
	Oct 2019		Oct 2020		Oct 2021
	USDA Official	New Post	USDA Official	New Post	Post Estimate
Area Planted (1000 HA)	0	0	0	0	0
Area Harvested (1000 HA)	0	0	0	0	0
Trees (1000 TREES)	0	0	0	0	0
Beginning Stocks (1000 MT)	0	0	0	2	2
Production (1000 MT)	0	0	0	0	0
MY Imports (1000 MT)	74	74	70	70	78
Total Supply (1000 MT)	74	74	70	72	80
MY Exports (1000 MT)	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	74	72	70	70	77
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0
Total Dom. Cons. (1000 MT)	74	72	70	70	77
Ending Stocks (1000 MT)	0	2	0	2	3
Total Distribution (1000 MT)	74	74	70	72	80

Production: Post slightly increases olive oil production to 400,000 MT in MY 2019/2020 to reflect revised Tunisian Ministry of Agriculture data. MY 2021/22 olive production is forecast at 270,000 MT, reflecting the alternating high-fruit bearing cycle which had low production in MY 2020/21. Post currently estimates MY 2020/21 140,000 MT, based on Tunisia's ongoing harvest which began in November 2020 and will finish in March 2021. Tunisia's olive area accounts for one-third of the country's total arable land, and area is expected to continue increasing in coming years (see policy section).

The bulk of the olive harvest is processed into various grades of oil by 1,750 private olive mills scattered throughout the production area.

Soybean oil production in MY 2019/20 is revised lower based on industry-reported final data.

Consumption: Given current policies, Post does not see significant changes to per capita consumption of soybean or palm oil. Soybean and corn oil are the most popular cooking oils with prices subsidized by the government to ensure their affordability on the retail market (see policy section). Palm oil is not well perceived by consumers and is generally limited to the food manufacturing sector.

Total Non-Olive Vegetable Oil Food Use (1,000 MT)				
	Description	Marketing Year		
		2017/18	2018/19	2019/20
Production ⁽¹⁾	Non-Olive Veg Oil	115	100	112
	Soybean Oil	115	100	112
Imports ⁽²⁾	Non-Olive Veg Oil	209	183	218
	Soybean Oil	83	76	85
	Sunflower Oil	27	19	18
	Corn Oil	38	23	31
	Palm Oil	52	57	74
	Copra Oil	3	2	5
	Palm Kernel Oil	6	6	5
Exports ⁽³⁾	Non-Olive Veg Oil	7	7	1
	Soybean Oil	7	7	1
Balance	Non-Olive Veg Oil	317	276	329

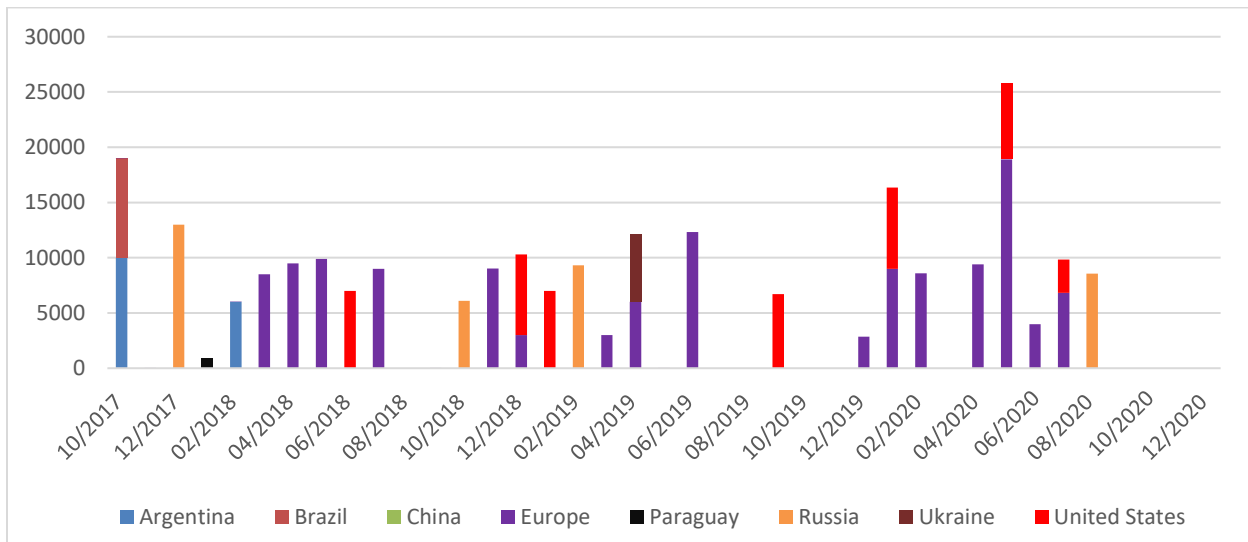
Source: (1) PSD, (2) TDM derived data by calculating imports/exports by exporters or importers

Domestic olive oil prices have risen for local consumers due the scarcity of supply in 2020/21. The average domestic price for Tunisian olive oil is currently \$3.25 per liter, compared to \$2.50 the same time last year.

Trade: Tunisia's primary export markets for olive oil are Europe and the United States, with 8 percent sold in bottles in MY 2019/20. However, the volume of bottled olive oil exports is increasing, and this remains a government priority. Most exports are facilitated by the National Oil Board (ONH).

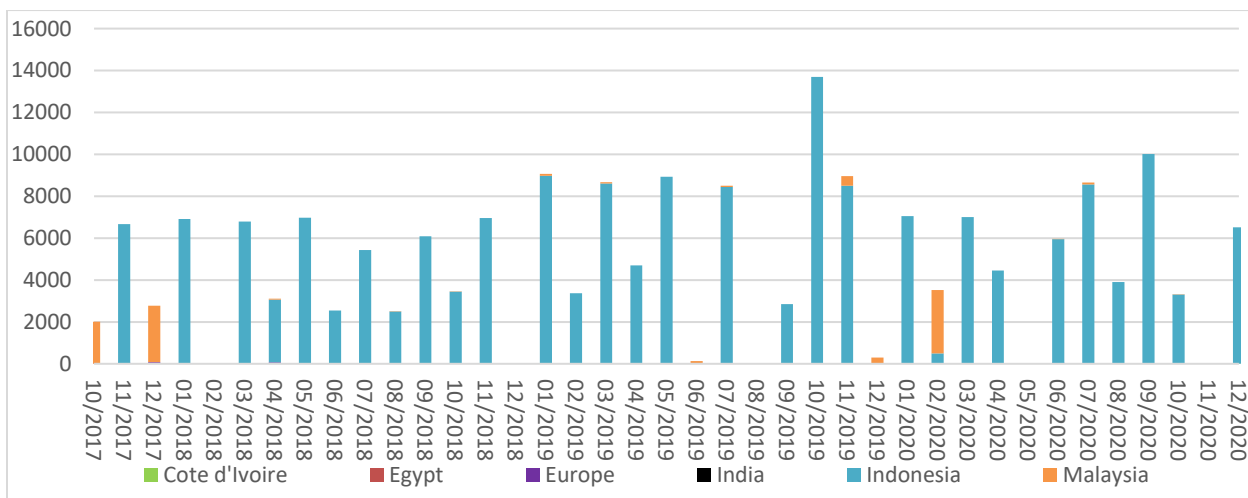
Soybean oil is far and away the most imported vegetable oil, followed by palm, corn, and sunflower oils. Soybean, sunflower, and corn oil are imported crude, as supported by an advantageous tax structure (see policy section below). However, palm oil is generally imported refined. The majority of refined corn oil and significant volumes of refined soybean oil are then re-exported. While Libya is a major buyer of Tunisia's refined and price-controlled vegetable oils, exact export volumes are difficult to estimate.

Soybean Oil Exports to Tunisia (MT)



Source: Trade Data Monitor

Palm Oil Exports to Tunisia (MT)



Source: Trade Data Monitor

Policy: There have been no major changes in vegetable oil policy, and Tunisia maintains the following key objectives with regards to the sector:

1. To increase annual average production of olive oil from 180,000 MT to 250,000 MT by 2025 through (1) an aging olive tree renewal plan (representing 20 percent of olive trees) and (2) plans for new plantations in northwest Tunisia;
2. To increase olive trees yields from a low average of 0.15 MT of olive oil per hectare to no less than 0.2 MT per hectare through improvement of olive tree cultivation techniques and a national olive disease protection program;
3. To mitigate the large disparity of olive oil production during drought years, the government targets increasing irrigated area of olive trees from 95,000 HA to 120,000 HA. (Droughts occur two out of every five years on average). Expansion of irrigation would increase olive oil production from irrigated orchards to 100,000 MT and guarantee a minimum level of production during drought years;
4. To promote olive oil exports, a major source of the country's hard currency earnings;
5. To fulfill the vast majority of domestic demand for imported vegetable oils at the lowest cost possible;
6. To continue subsidizing vegetable oil purchased by the state-run National Oil Board (ONH) in order to maintain relatively low market prices at the retail level [note: the Compensation Fund (Caisse Generale de Compensation) writes off losses incurred by ONH resulting from selling at prices below purchase costs];
7. To transition vegetable oil imports from ONH to private-run refiners via a refining quota system.

To maintain affordable prices of vegetable oils for consumers, the government continues to maintain reduced taxes and VAT on a list of edible oils (e.g., palm, soybean, corn, and sunflower) through the application of Decree 2014-002 of January 7, 2014.

Products	Custom Duties %	Value Added Taxes
Peanut Oil - Crude	0	0
Peanut Oil - Refined	10	0
Palm Oil - Crude	0	0
Palm Oil - Refined	10	0
Sunflower Oil - Crude	0	0
Sunflower Oil - Refined	10	0
Rapeseed Oil - Crude	0	0
Rapeseed Oil - Refined	10	0
Corn Oil - Crude	0	0
Corn Oil - Refined	10	0
Soybean Oil - Crude	0	0
Soybean Oil - Refined	10	0

Attachments:

No Attachments