

Required Report: Required - Public Distribution

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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:

Tunisian MY 2023/24 soybean imports are expected to reach 540,000 MT, compared to 510,000 MT in MY 2022/23. Tunisian olive oil exports are forecast to reach 200,000 MT in MY 2023/24, compared to 155,000 MT in MY 2022/23.

OILSEEDS SECTION:

Table1: Soybean Production, Supply and Distribution

Oilseed, Soybean Market Year Begins Tunisia	2021/2022		2022/2023		2023/2024
	Oct 2021		Oct 2022		Oct 2023
	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)	13	13	16	38	28
Production (1000 MT)	0	0	0	0	0
MY Imports (1000 MT)	533	533	600	510	540
Total Supply (1000 MT)	546	546	616	548	568
MY Exports (1000 MT)	0	0	0	0	0
Crush (1000 MT)	450	414	510	420	428
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	80	94	80	100	107
Total Dom. Cons. (1000 MT)	530	508	590	520	535
Ending Stocks (1000 MT)	16	38	26	28	33
Total Distribution (1000 MT)	546	546	616	548	568

Area Harvested/Production: Tunisia does not produce soybeans. Although the Ministry of Agriculture encourages Tunisian producers to diversify into rapeseed and sunflower crops, there are no formal programs to support diversification. As a result, Tunisian oilseed production is entirely focused on the olive industry.

Consumption: For MY 2023/24, Post expects Tunisia's crushing facility demand to slightly increase compared to MY 2021/22 and MY 2022/23. This is due in part to an anticipated small rebound in Tunisia's food service sector, (a significant poultry, beef, and dairy consumer). Soybean consumption in MY 2022/23 is lowered on greater soybean meal imports fueled by the elimination of the customs duties on soybean meal imports. Tunisian feed millers report that the industry directed more soybean to the production of full fat soybean (direct feed use) in MY 2021/22, and this will continue to grow in MY 2022/23 and MY 2023/24 as production efficiency and demand of full fat soybean has increased. Post decreases soybean crush to reflect industry's final number for MY 2021/22.

Stocks: Industry strives to maintain at least 30 processing days of storage, or about 42,000 MT. Industry sources also confirm beginning and ending stocks in MY 2021/22 were 13,000 and 38,000 MT respectively. In MY 2022/23, ending stocks are revised higher reflecting higher beginning stocks.

Trade: Change to the MY 2022/23 import estimate reflects estimated crush and consumption declines and the MY 2023/24 import forecast reflects an anticipated slight increase in consumption compared to MY 2022/23.

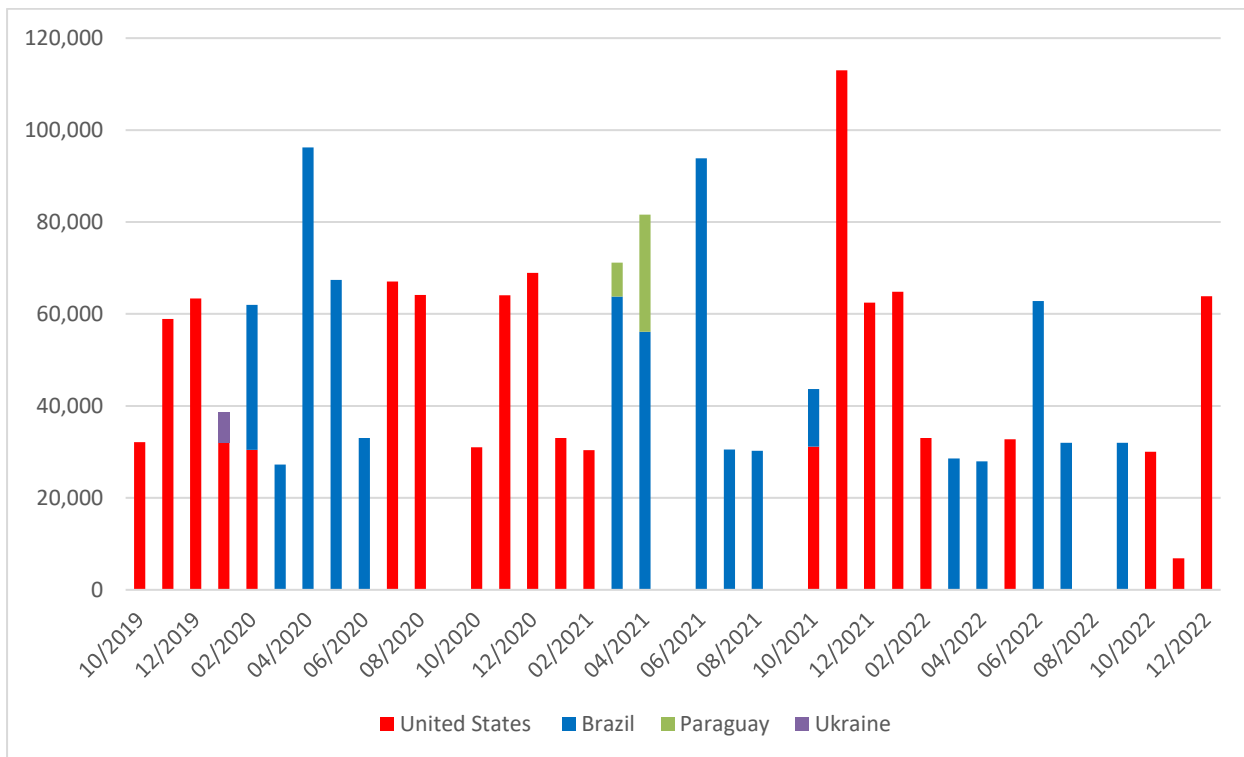
Tunisia allows soybean meal imports with zero duty. Previously, imports of soybean meal were subject to a 15 percent customs duty, while imports of soybean and full fat soybean were imported with zero duty. Industry reports that the elimination of the soybean meal customs depress soybean imports.

Table 2: Custom Duties and Value Added Taxes on Soybean and Soybean Meal Products

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

Tunisia’s soybean crusher reports their satisfaction with U.S. soybean quality and has stated their willingness to pay a premium for U.S. soybean over products from competing origins.

Figure 1: Soybean Exports to Tunisia (MT)



Source: Trade Data Monitor, LLC

MEALS SECTION:

Table 3: Soybean Meal Production, Supply and Distribution

Meal, Soybean Market Year Begins Tunisia	2021/2022		2022/2023		2023/2024
	Oct 2021		Oct 2022		Oct 2023
	USDA Official	New Post	USDA Official	New Post	Post Estimate
Crush (1000 MT)	450	414	510	420	428
Extr. Rate, 999.9999 (PERCENT)	0.7956	0.7754	0.7961	0.7786	0.7734
Beginning Stocks (1000 MT)	7	7	39	31	43
Production (1000 MT)	358	321	406	327	331
MY Imports (1000 MT)	164	164	90	155	150
Total Supply (1000 MT)	529	492	535	513	524
MY Exports (1000 MT)	10	10	10	10	10
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)	480	451	485	460	470
Total Dom. Cons. (1000 MT)	480	451	485	460	470
Ending Stocks (1000 MT)	39	31	40	43	44
Total Distribution (1000 MT)	529	492	535	513	524

Production: No significant changes are currently seen or expected in extraction rates. Soybean meal production and ending stocks in MY 2021/22 are revised lower based on industry reports.

Consumption: In MY 2021/22 Post decreased soybean meal consumption due to the significant contraction in the Tunisian dairy cow herd that lowered demand, and the compound feed price freeze imposed by the Ministry of Trade in April 2022, amid international feed price spikes. Post estimates soybean meal consumption to increase slightly in MY 2022/2023 and in 2023/2024 compared to MY 2021/22. This increase reflects the assumption of a small increase in Tunisian animal feed production assuming normal population growth. However, growth is not expected to be significant considering inflationary pressures. Note that 70 percent of soybean meal is destined for the poultry and egg sectors.

Table 4: Meals on a Soybean Meal Equivalent Basis

Meals on a Soybean Meal Equivalent Basis (1,000 MT)					
	Description	Conversion Factor	Marketing Year		
			2019/20	2020/21	2021/22
Production			485.9	335.8	325.3
	Soybean Meal ⁽¹⁾	1	475	325	321
	Fish Meal ⁽²⁾	1.445	10.9	10.8	4.3
Imports			1.8	96.7	177.9
	Soybean Meal ⁽¹⁾	1	0	87	164
	DDGS ⁽³⁾	0.58	0	8.6	9.3
	CGM & CGF ⁽³⁾	0.68	0.8	0.3	2.6
	Fish Meal ⁽³⁾	1.445	1	0.8	2
	Others ⁽³⁾	0.4515	0	0	0
Exports			1.8	10.1	10.2
	Soybean Meal ⁽¹⁾	1	8	10	10
	Fish Meal ⁽³⁾	1.445	0.1	0.1	0.2
Balance			485.9	422.4	493

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

Stocks: Tunisia’s feed mills and crushing facility each target 30 days of soybean meal stocks.

Trade: Post increases MY 2022/2023 soybean meal imports to reflect estimated lower domestic production and beginning stocks. Soybean meal imports in 2023/2024 are forecast roughly at the same level as in MY 2022/23.

Industry reports that the elimination of the soybean meal customs duties stimulates soybean meal imports.

OILS SECTION:

Table 5: Olive Oil Production, Supply and Distribution

Oil, Olive Market Year Begins Tunisia	2021/2022		2022/2023		2023/2024
	Nov 2021		Nov 2022		Nov 2023
	USDA Official	New Post	USDA Official	New Post	Post Estimate
Area Planted (1000 HA)	2000	2000	0	2020	2040
Area Harvested (1000 HA)	0	0	0	0	0
Trees (1000 TREES)	96000	96000	96000	98000	100000
Beginning Stocks (1000 MT)	38	38	43	43	35
Production (1000 MT)	240	240	200	180	250
MY Imports (1000 MT)	1	1	2	2	1
Total Supply (1000 MT)	279	279	245	225	286
MY Exports (1000 MT)	196	196	165	155	200
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	40	40	40	40	40
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0
Total Dom. Cons. (1000 MT)	40	40	40	40	40
Ending Stocks (1000 MT)	43	43	40	30	41
Total Distribution (1000 MT)	279	279	245	225	281

Table 6: Soybean Oil Production, Supply and Distribution

Oil, Soybean Market Year Begins Tunisia	2021/2022		2022/2023		2023/2024
	Oct 2021		Oct 2022		Oct 2023
	USDA Official	New Post	USDA Official	New Post	Post Estimate
Crush (1000 MT)	450	414	510	420	428
Extr. Rate, 999.9999 (PERCENT)	0.1844	0.1812	0.1863	0.181	0.1869
Beginning Stocks (1000 MT)	17	17	11	15	9
Production (1000 MT)	83	75	95	76	80
MY Imports (1000 MT)	76	76	75	75	80
Total Supply (1000 MT)	176	168	181	166	169
MY Exports (1000 MT)	0	0	1	1	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	165	153	170	156	160
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0
Total Dom. Cons. (1000 MT)	165	153	170	156	160
Ending Stocks (1000 MT)	11	15	10	9	9
Total Distribution (1000 MT)	176	168	181	166	169

Table 7: Palm Oil Production, Supply and Distribution

Oil, Palm Market Year Begins Tunisia	2021/2022		2022/2023		2023/2024
	Oct 2021		Oct 2022		Oct 2023
	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)	8	8	12	12	6
Production (1000 MT)	0	0	0	0	0
MY Imports (1000 MT)	79	79	65	70	80
Total Supply (1000 MT)	87	87	77	82	86
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)	75	75	70	76	78
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0
Total Dom. Cons. (1000 MT)	75	75	70	76	78
Ending Stocks (1000 MT)	12	12	7	6	8
Total Distribution (1000 MT)	87	87	77	82	86

Production: MY 2023/24 olive oil production is forecast at 250,000 MT, reflecting the alternating high-fruit bearing cycle which had low production in MY 2022/23. Post currently estimates MY 2022/23 production at 180,000 MT, based on official and industry sources. The 2022/23 harvest is ongoing (October 2022 - February 2023). 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 705 private olive mills scattered throughout the production area.

Soybean oil production in MY 2021/22 is revised lower based on industry-reported final data. In 2022/23 soybean oil production is also estimated lower due to a decline in crushing.

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.

Table 8: Total Vegetable Oil Food Use

Total Non-Olive Vegetable Oil Food Use (1,000 MT)				
	Description	Marketing Year		
		2018/19	2019/20	2021/22
Production ⁽¹⁾	Non-Olive Veg Oil	112	81	75
	Soybean Oil	112	81	75
Imports ⁽²⁾	Non-Olive Veg Oil	216	197	222
	Soybean Oil	85	95	76
	Sunflower Oil	18	18	20
	Corn Oil	31	33	34
	Palm Oil	74	46	79
	Copra Oil	4	2	8
	Palm Kernel Oil	4	3	5
Exports ⁽³⁾	Non-Olive Veg Oil	1	0	0
	Soybean Oil	1	0	0
Balance	Non-Olive Veg Oil	327	278	297

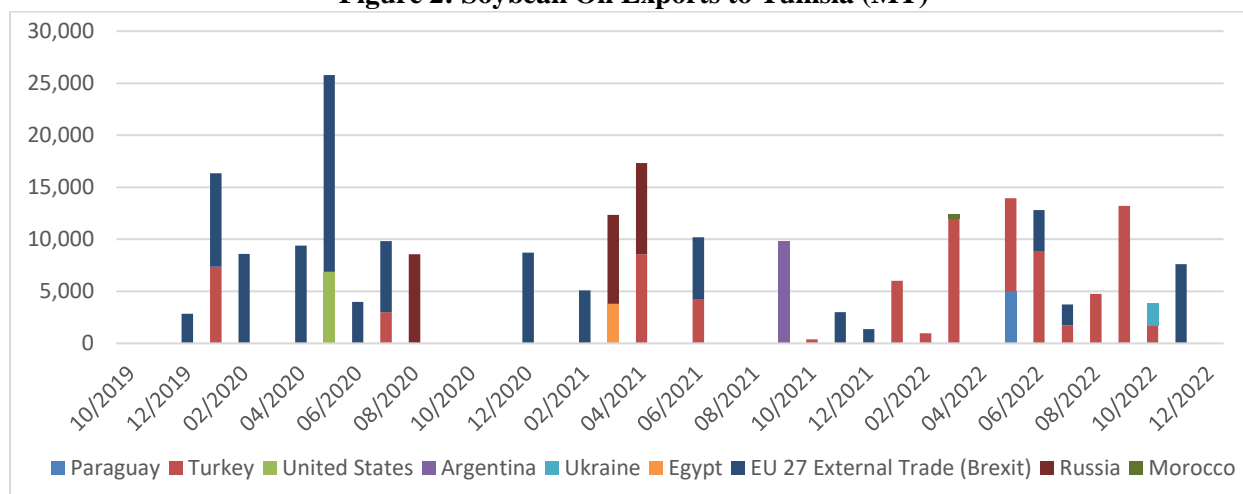
Source: (1) PSD, (2) Trade Data Monitor, LLC derived data by calculating imports/exports by exporters or importers

Domestic olive oil prices have risen for local consumers due to price inflation and lower supply in MY 2022/23. The average domestic price for Tunisian olive oil is currently \$5.20 per liter, compared to \$3.80 the same time last year. In MY 2023/24 olive oil consumption is forecast to reach the same level recorded in MY 2022/23.

Trade: Tunisia’s primary export markets for olive oil are Europe and the United States (57 percent and 27 percent respectively), with 13 percent of total production sold in bottles in MY 2021/22. However, the volume of bottled olive oil exports is increasing, as per the government priority to substitute more lucrative sales of branded product in place of bulk exports to intermediary processors in the EU. Most exports are facilitated by the National Oil Board (ONH).

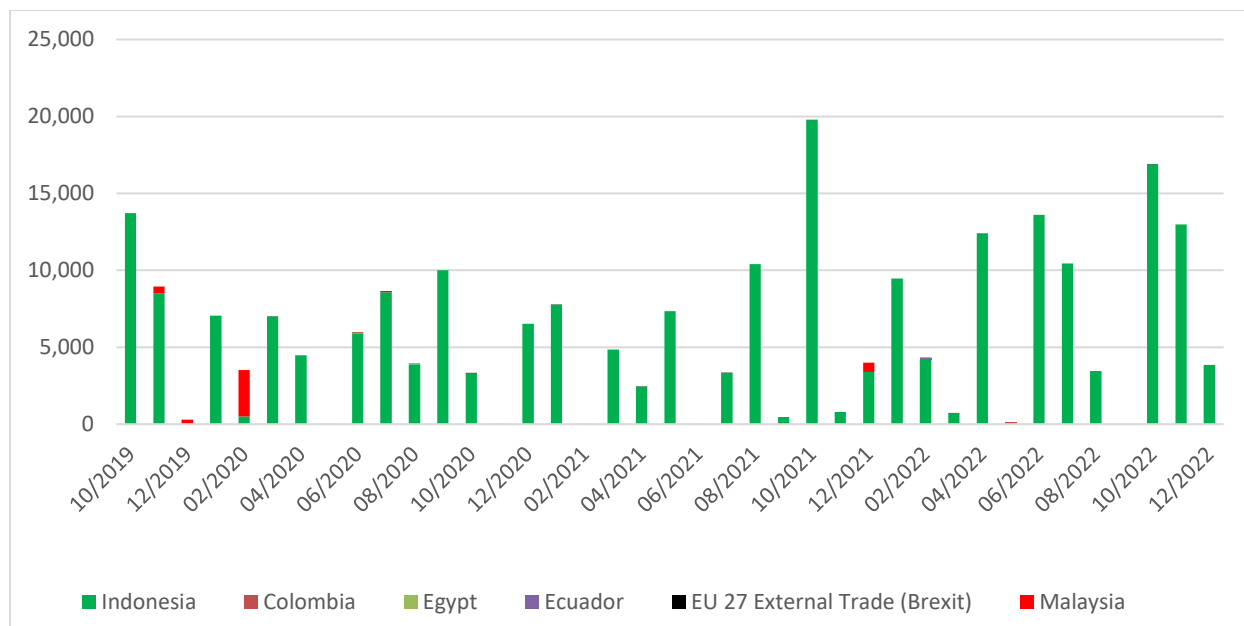
Soybean oil is Tunisia’s largest vegetable oil import, followed by palm, corn, and sunflower oils. Soybean, sunflower, and corn oil are imported crude, as supported by an advantageous tax structure (see policy section below). However, palm oil is generally imported refined. The majority of refined corn 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.

Figure 2: Soybean Oil Exports to Tunisia (MT)



Source: Trade Data Monitor, LLC

Figure 3: Palm Oil Exports to Tunisia (MT)



Source: Trade Data Monitor, LLC

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 205,000 MT to 250,000 MT by 2030 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 0.1 MT of olive oil per hectare to no less than 0.12 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 100,000 HA to 150,000 HA. (Droughts occur two out of every five years on average). Expansion of irrigation would increase olive oil production from irrigated orchards to 120,000 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 most of the 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.

Table 9: Custom Duties and Value Added Taxes on Vegetable Oils

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