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Report Highlights:

In September 2020, the Algerian Minister of Agriculture (MoA) presented the Algerian Agriculture Roadmap 2020-2024, which offers opportunities for U.S. Exporters and Investors despite its overall objective to reduce imports. Opportunities exist for wheat, milk powder, soybean meal, corn, food and beverage ingredients, animal feed, pulses, treenuts, almonds, and wood. Opportunities also exist for U.S. livestock and genetics as well as agriculture equipment, grain storage facilities, cold chain facilities, and large scale integrated farming.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Executive Summary

With the objective of reducing the yearly food import bill by \$10 billion, the Government of Algeria (GoA) designed a 2020-2024 strategy to diversify the economy and develop certain sectors. The targeted commodities are: bread (common) wheat, corn, sugar crops and oilseeds. To achieve this goal, an Office for the Development of Agriculture in Saharan Lands was created. Additionally, a Global Agricultural Census was launched in March 2021, 20 years after the one conducted in 2001.

This report will lay out the general guidelines of the Algerian agricultural roadmap.

1/ Algerian Ministry of Agriculture's Roadmap 2020- 2024 to develop strategic commodities

Despite the pandemic, the Algerian agriculture supply chain did not experience major disruption. Thanks to transportation authorization during the pandemic, Algerian farmers supplied the market with necessary staples in sufficient quantities. In 2020, during the pandemic, agricultural production exceeded \$25 billion, up from \$23 billion in 2019. The agricultural sector contributes up to 12.4% of the Algerian GDP and accounts for more than 2.5 million direct jobs.

The global economic situation, marked by fluctuating oil prices and soaring food prices was a lesson for the Government of Algeria (GoA) in reinforcing their goal to achieve self-sufficiency in certain essential products, as per the Minister of Agriculture (MoA)'s statement. The GoA is prioritizing the agricultural sector as an essential sector in diversifying its economy and offsetting the trade balance.

In September 2020, The MoA unveiled their roadmap to further develop designated commodities and reduce the import bill. The strategy focuses on developing the following sectors: bread (common) wheat, corn, sugar crops and oilseeds. These products still constitute the bulk of Algerian imports of foodstuff which exceeds \$10 billion. The MoA is relying heavily on the development of the cereal sector. Modernizing the irrigation system will mitigate water stress. The goal is to increase yields between 50 and 60 quintals/hectare. For the vegetable oil sector, Algeria imports more than \$1.3 billion oil/year. As such, rapeseed is being cultivated in the north on more than 3,500 hectares. A program is set to replicate this approach for other commodities.

On February 9, 2021, the MoA indicated that the sector roadmap through 2024 is aimed at reducing the import bill for agricultural products by \$2.5 billion. The Minister specified that the significant reduction would impact targeted commodities such as grains, sugar, milk powder and vegetable oil.

The reduction of imports is expected to impact the import bill for bread (common) wheat (-\$400 million), oils (-\$983 million), sugar (-\$555 million), corn (-\$17.6 million), industrial tomatoes (- \$ 55 million), potato seeds (- \$42 million) and garlic (- \$12 million).

The GoA intends to strengthen cereal production to 7.1 MMT by 2024, including 10% in the southern states. Regarding bread (common) wheat, the MoA stressed that the GoA would continue subsidizing bread. As for other products made from bread (common) wheat or durum wheat, producers will have to pay market price. The new decree regarding removing the subsidy on common wheat not destined for bread production and durum wheat, was put on hold in November 2020. A new implementation date has not yet been set. For additional reporting on this topic, please see. [Grain and Feed | Algeria | April 01, 2021 | AG2021-0004](#)

The roadmap includes the substitution of the equivalent of \$81.85 million of imported milk powder, for the equivalent quantity of domestic fresh cow milk. The fresh milk will be integrated in the production of subsidized Packaged Pasteurized Milk (LPC), with a quantity of 200,000 liters/day.

For corn, Algerian domestic demand is 4.5 MMT, representing an amount of nearly \$900 million according to the Minister's statement. The sector is working to grow corn on 18,000 ha, aiming to produce 88,000 MT in 2021, which is expected to reduce the import bill by 2%.

Regarding vegetable oils, Algerian domestic demand amounts to \$583 million, that is a quantity of 1 MMT/year and \$600 million of soybean residues, with a quantity of 1.4 MMT/year. The GoA intends to cultivate groundnuts on 200,000 ha, soybeans on 200,000 ha, rapeseed on 100,000 ha, to reduce the import bill by \$983 million, i.e., 80% of imports of these commodities.

Potato culture uses local seeds which cover 80% of domestic demand. The strategy aims to reduce the import of some varieties of seeds, regulate the market, supply potatoes to processing units and promote exports. In this context, the Ministry is organizing production zones across the country, to map agricultural areas, by 2030.

The MoA is also consolidating Algerian storage capacities for the collection and storage of cereals, and the creation of a local collection center. In addition, 13 refrigeration complexes are planned for 2021. [Reduce the foodstuff bill by \\$2.5 billion](#)

The MoA is emphasizing the organization and optimization of agricultural production. To do this, the MoA will work with the Ministry of Industry to set up agro-industrial micro areas. To this end, the MoA announced the development of agricultural centers based on the specific vocations of each region.

Digitization is another priority for the Ministry. In March 2021, the Ministry launched a portal for online Government services.

Media reports that Algeria aims to move towards smart agriculture that is resilient to climate change. The aim is to achieve a sustainable agriculture that considers the environmental situation while maintaining the balance of the ecosystems of the different regions. Innovation, new technologies, creation of startups, the use of renewable energies are strongly encouraged. In a March 2021 statement, the MoA indicated that innovation among women entrepreneurs is an essential element in the realization of smart agriculture, necessary to achieve Algeria's food security objectives.

This new approach involves, research institutes and academics in the agricultural field. In 2020, this approach made it possible to further develop the seed sector to have varieties of agricultural products adapted to the scarcity of water resources which is a major constraint. A project to create a school of Smart Agriculture in Tiaret, is under consideration and could be operational by 2022. The project is supported by the ERASMUS Program (the European Community Action Scheme for the Mobility of University Students), a European Union (EU) student exchange program established in 1987. [A project to create a School of Smart Agriculture](#)

The Ministry will take measures to supply breeders with barns and launch a livestock vaccination program using electronic chips as part of a partnership project with the European Union (EU). The project will soon be expanded throughout Algeria.

For the MoA, this Department is called upon to improve the business climate, restore the trust between the administration and investors, and encourage investment in the South through the revival of a structured and integrated investment in agriculture.

2/The Office for the Development of Agriculture in Saharan Lands (ODAS)

To achieve the objectives outlined in the roadmap, the Office for the Development of Agriculture in Saharan Lands (ODAS) was created by executive decree N 20-265 in September 2020. [Establishment of ODAS Office Executive Decree](#)

Located in El Menea, which was upgraded to a State/Province (Wilaya), the Office will promote and develop strategic industrial agriculture in the southern regions. The creation of this office aims to strengthen the agricultural and agro-industrial capacities of Algeria by promoting crops of a strategic nature intended for further processing to meet domestic demand and reduce imports of finished products.

The aims of the Office will be to develop Saharan lands, attract investment, manage lands, delimit the perimeters, and carry out technical studies. ODAS will select project leaders for land allocation, support them, evaluate them, and ensure compliance with specifications and business plans. The Office is intended to serve investors and aims to constantly bridge the gap between the various operators involved in developing the Sahara.

Agriculture is not included in the activities affected by the 49/51 partnership share law as per the recent executive decree. [Strategic Activities with a 51% Share for National Residents.](#)

On March 28, 2021 the Minister of Agriculture launched the website of the Office (ODAS) <https://odas.madr.gov.dz/>

3/ The 2021 Algerian Global Agricultural Census (RGA)

In March 2021 the MoA launched a Global Agricultural Census of farms and livestock. This decennial census was last conducted in 2001. The very first Algerian Global Agricultural Census was conducted in 1973. This census will establish an Algerian database and update production and distribution information.

The census is planned to last three to four months and may require the use of Ministry of Defense drones for the evaluation of livestock. The objective of this census is to improve agriculture and food statistics for informed decision-making, and policy development. The census will also update information on infrastructure and agricultural operations, as well as on the production environment, livestock statistics, stables, and breeding.

4/ Forum on Agricultural and Agrifood Investment

On April 12, 2021, the Ministry of Agriculture organized a Forum on Agricultural and Agrifood Investment. The event was attended by members of the government, economic operators, industry associations, investors, and public and private organizations. The Prime Minister encouraged the operators by prompting them to export and

reassuring them of the GoA's support at all levels. The forum took place in the form of interactive panels on agricultural land, irrigation and energy, financial framework and finally agro-industry, during which the operators expressed their expectations and concerns.

On the sidelines of this forum, the Minister of Agriculture announced that the Ministry has, for the first time, created an Organic Agriculture Institution, which will promote produce without fertilizers or pesticides. This entity will be responsible for organic certification after the legal and regulatory framework is finalized.

Conclusion

Despite the main objective of the GoA's roadmap for reducing imports of foodstuff, there are still opportunities for U.S. agriculture products. Opportunities for U.S. exports remain in the areas of: wheat, milk powder, soybean meal, corn, food and beverage ingredients, animal feed, pulses, treenuts, almonds, wood. In addition, opportunities exist for U.S. livestock and genetics as well as agriculture equipment, production lines for processing units, grain storage facilities, and cold chain facilities. U.S. expertise in smart agriculture would support further development of large-scale integrated farming, and supply chain platforms and hubs.

Furthermore, agriculture is not included in the activities affected by the 49/51 partnership requirement where an Algerian resident partner should have a 51% share. Investment in agriculture with an Algerian partner is an opportunity for U.S. investors to access the Algerian market and access the rest of the continent as Algeria is a signatory to the African Continental Free Trade Agreement.

Attachments:

No Attachments.