



GIEWS Country Brief Algeria

Reference Date: 01-August-2022

FOOD SECURITY SNAPSHOT

- Slightly below-average cereal production expected to be harvested in 2022
- Wheat import requirements forecast to increase
- Strong economic recovery, increasing price inflation

Slightly below-average cereal production expected in 2022

Harvesting of the 2022 winter grains is expected to be completed by mid-August, with crops in the highlands maturing the latest. The bulk of the production, harvested from the lower laying fields, was already gathered. Being largely rainfed, cereal yields are highly variable and depend on rainfall amounts and distribution.

Following a good start of the rainy season, cumulative rainfall amounts between November 2021 and February 2022 were about half the average, causing widespread drought conditions across the country. However, abundant rainfall amounts in March and April 2022, up to 40 percent above the average, benefited crop recovery in central and eastern regions. Consequently, vegetation conditions varied across regions, resulting in near-average yields in central and eastern areas to lower production in western parts of the country.

At the national level, wheat production is expected at a slightly below-average level of 3 million tonnes, but exceeding the previous year's low wheat output by about 20 percent. Total cereal production in 2022 is estimated at 4.1 million tonnes, about 12 percent below the five-year average but 17 percent more than the previous year's weather-stricken harvest.

In January 2022, as a response to high international prices and with the aim to increase the level of local procurement, the government increased the purchasing prices for the 2022 cereal crop. Compared to the previous year, the procurement price of durum wheat increased from DZD 45 000 to DZD 60 000/tonne (equivalent to USD 423 at the official exchange rate of DZD 142 per USD 1), soft (common) wheat from DZD 35 000 to DZD 50 000/tonne (USD 352) and barley from DZD 25 000 to DSD 34 000/tonne (USD 240).

Cereal imports in 2022/23 to increase

Even in years with ample domestic production, the country relies heavily on imports of cereal grains, with soft (common) wheat being the most prominent. In the last five years, the country's

Algeria

Crop Calendar

(*major foodcrop)



Sowing
Growing
Harvesting

Source: FAO/GIEWS.

Algeria

Cereal Production

	2017-2021 average	2021	2022 forecast	change 2022/2021
	000 tonnes			percent
Wheat	3 172	2 500	3 000	20.0
Barley	1 338	900	1 000	11.1
Oats	87	83	81	-2.4
Others	5	6	5	-16.7
Total	4 602	3 489	4 086	17.1

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheet.

wheat import requirements were on average about 7.6 million tonnes per year, mostly common wheat that represents about 70 percent of domestic utilization.

Despite the expected slight recovery in the domestic harvest in 2022, wheat import requirements for the 2022/23 marketing year (July/June) are forecast at 8.1 million tonnes, about 25 percent above the imports of the previous year and 7 percent above average. In addition, about 5 million tonnes of maize and 1 million tonnes of barley for use as feed are expected to be imported. The country imports wheat from France, Canada, Germany, the United States of America, Spain and Mexico. Although no significant quantities of wheat are sourced from Ukraine or the Russian Federation, together they supply about 20 percent of barley imports and less than 10 percent of maize. Overall, the country imports cereals from a variety of origins, making it less vulnerable to disruptions in exports from Ukraine and the Russian Federation.

Due to concerns about sufficient food availability on domestic markets due to increasing international prices, in March 2022, the country decided to ban exports of processed food that use imported ingredients including sugar, vegetable oil, pasta, semolina and other wheat products.

Strong economic recovery, increasing inflation

The country is highly dependent on petroleum and natural gas for export revenues. Strong global oil prices are fuelling the country's economic growth. The economy is expected to grow by 3.9 percent year on year in 2022, up from 3.4 percent in 2021. Despite the high international energy prices and the increased interest in the country as a supplier of natural gas as an alternative to the Russian Federation, high unemployment levels prevail, affecting the purchasing power of the population.

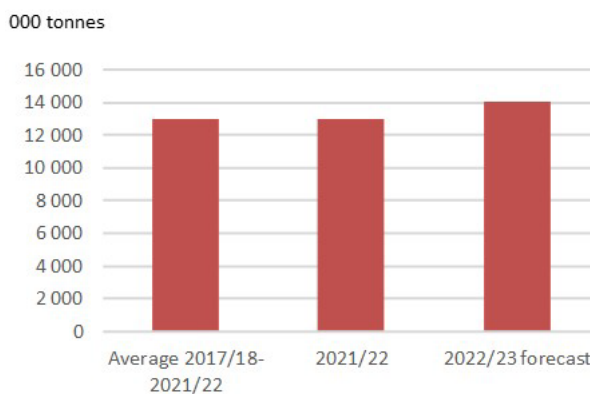
In April 2022 (latest data available), the annual rate of the general price inflation was recorded at 10 percent, the highest level since 2012. In the first quarter of 2022, food prices increased by 13 percent year on year, up from the levels close to 0 percent in the second half of 2020. Part of the inflation increase is attributed to high international commodity prices as well as to the depreciation of the national currency that, in July 2022, was equivalent to about DZD 147 per USD 1, compared to DZD 134 in July 2021.

In 2021, responding to fiscal deficits and balance of payments issues, the country introduced steps to remove subsidies on cooking oil, wheat flour, domestic gas and electricity, although high prices of energy commodities are making the implementation less pressing. In February 2022, the government began distributing an unemployment benefit of DZD 13 000/month (about USD 90) to young citizens aged 19 to 40.

Disclaimer: The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Algeria

Cereals Imports



Notes: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

Source: FAO/GIEWS Country Cereal Balance Sheets.