



GIEWS Country Brief Tunisia

Reference Date: 27-July-2021

FOOD SECURITY SNAPSHOT

- Above-average cereal production harvested in 2021
- Cereal import requirements forecast to remain stable in 2021/22 marketing year
- Sluggish economic growth and increases in food price inflation

Above-average cereal production harvested in 2021

Harvesting of the 2021 winter cereals is about to conclude. Sowing took place under relatively favourable conditions between late October and early December 2020. Although inadequate rainfall amounts in January and February raised concerns about crop conditions, favourable rainfall amounts and distribution in the following months, particularly in April during the grain filling stage, contributed to crop recovery in the main cereal producing areas in the northern part of the country.

In central and southern parts of the country, where cereal production is less important, rainfall deficits affected rangelands. Low quality of pasture has necessitated securing supplementary feed sources and livestock owners deem feed expensive.

Although the production of phosphate has been shrinking since 2011, when it was the main earner of foreign currency, the country is still among the most important world producers. The chemical fertilizer plant in Gafsa Governorate remained closed between November 2020 and May 2021 due to general strikes in the area and resulting in a dramatic decline in supply. Already at the end of October 2020, only one quarter of domestic fertilizer demand was satisfied. Although supplementary imports were authorized by the government to cover the shortage, farmers reported disruptions in the supply. Increases in prices of fertilizers by 30-50 percent are also reported.

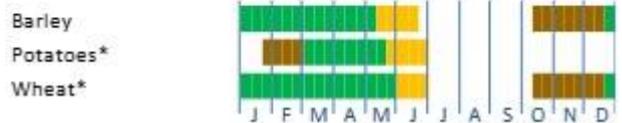
Despite fertilizer shortages, the 2021 cereal production is estimated at an above-average level of 1.8 million tonnes, over 20 percent above the 2020 average harvest on account of favourable weather conditions. Domestic crop production varies markedly from year to year because of significant rainfall variations. The irrigated wheat area represents less than 15 percent of the total wheat planted area.

The country aims to reach a domestic production of 2.9 million tonnes of cereals per year in order to achieve self-sufficiency.

Tunisia

Crop Calendar

(*major foodcrop)



Sowing
Growing
Harvesting

Source: FAO/GIEWS.

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Cereal Production

	2016-2020 average	2020	2021 estimate	change 2021/2020
	000 tonnes			percent
Wheat	1 120	1 043	1 200	15.1
Barley	499	465	600	29.0
Cereals NES	30	28	31	10.7
Others	3	3	3	0.0
Total	1 652	1 539	1 834	19.2

Note: percentage change calculated from unrounded data.

Source: FAO/GIEWS Country Cereal Balance Sheet.

Policy instruments used by the government include guaranteed farmgate prices (ranging from TDD 400/USD 145 per tonne of barley to TDD 620/USD 225 per tonne of durum wheat, with minimal year on year adjustments), subsidized certified seeds, an irrigation water subsidy as well as the provision of technical assistance to farmers producing wheat on irrigated areas.

Cereal imports to remain stable in 2021/22 marketing year

The country relies heavily on grain imports, mainly common wheat, even in years with good production. Cereal import requirements in the 2021/22 marketing year (July/June) are forecast at an average level of about 3.7 million tonnes, similar to the previous marketing year. More than half of the imported cereals is wheat, sourced mostly from Ukraine, the Russian Federation and the European Union.

The food trade balance recorded a deficit of USD 290.9 million (TDD 806.9 million) during the first six months of 2021 compared to a deficit of USD 49.4 million (TDD 137.1 million) during the same period of the previous year. In value terms, food exports decreased by 10.2 percent while imports increased by 13.8 percent. The deficit recorded mainly results from the increase in the rate of cereal imports (+20.9 percent) and the drop in olive oil exports (-26.9 percent).

Sluggish economic growth and increases in food price inflation

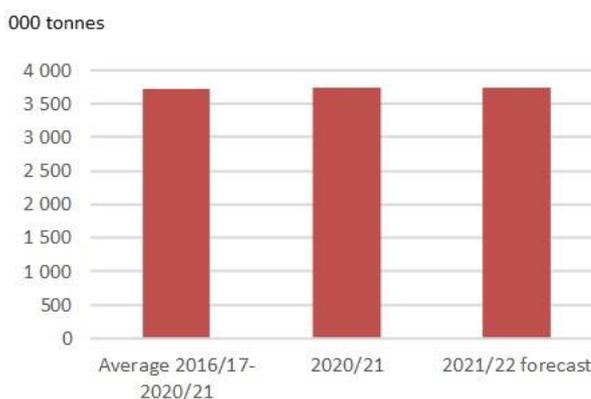
Even before the onset of the COVID-19 pandemic, the country experienced sluggish economic growth, high unemployment levels and deteriorating public services. In 2020, the economy contracted about 8.6 percent, mostly due to the collapse of the tourism sector resulting from travel restrictions. A Gross domestic product (GDP) growth of 2 percent is foreseen in 2021, but high unemployment levels still prevail. Unemployment increased from 15 percent prior to the COVID-19 pandemic to 17.8 percent by the end of the first quarter of 2021, severely affecting young people (aged 15-24) as over 40 percent of them are currently jobless.

In spite of the country's high import dependency rate, changes in international prices of wheat products and vegetable oil are not fully transmitted into domestic prices as the government's universal food subsidy programme keeps them stable. There have been discussions about reforming the subsidy system, which puts a significant burden on the national budget, but the implementation has been postponed so far. The food and beverage Consumer Price Index in June 2021 increased by 7.2 percent on a year-on-year basis, up from 4-5 percent between November 2020 and March 2021. The food price inflation in June 2021 was mainly driven by the high prices of edible oils (+16.5 percent year on year), vegetables (+13 percent) and animal proteins (+6-8 percent).

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Tunisia

Cereals Imports



Note: 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.