



AHDB Exports Target Market Algeria

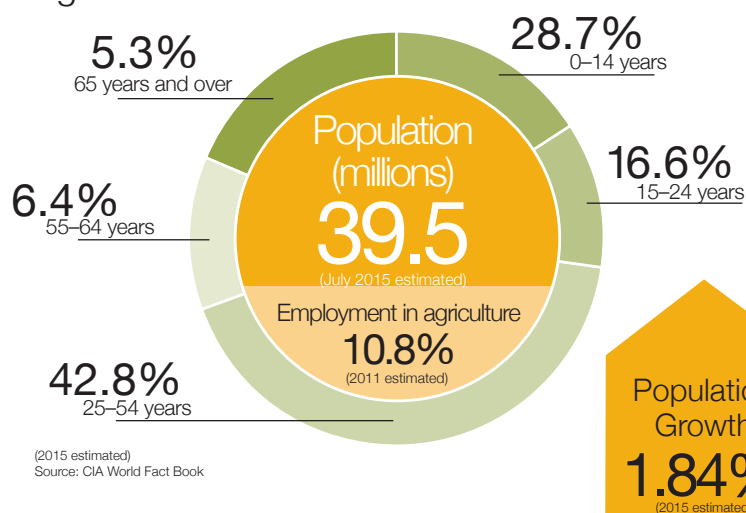
Algeria's wheat harvest for 2016/17 totalled **2 million tonnes**. Total wheat imports are forecast to total **8.2 million tonnes** and barley **900,000 tonnes**.

Algiers

3.1%
of arable area

Demographic

Age structure



Government policy

The **OAIC** is the state owned cereals office, which acts as a **regulator** and supplies the raw materials to maintain the production of subsidised bread.

In the five-year plan started in 2015, the Government plans to double cereal grain production from **3.4Mt in 2014 to almost 7Mt in 2019**, through improved irrigation, encouraging the use of certified seeds, as well as increasing mechanisation and storage.

Wheat is imported via international tender and supplied to the private mills at subsidised prices. Each season the OAIC decides the amount of wheat they will supply based on global wheat prices to ensure a baguette of bread is **kept at a set price**.

50% milling capacity is considered sufficient to feed the population, however higher levels of subsidy have been seen during periods of high prices.

For 2015/16 the OAIC subsidised wheat for 50% of the milling capacity leaving millers to source the remaining demand without subsidy.

Economics

GDP (growth)

3.7% (2015 estimated)

GDP (per capita)

\$14,500
(2015 estimated)

10.3%

(2015 estimated)

OAIC wheat tender specifications

Moisture	14.5% max (discount expected)
Protein	12-13%
Hagberg falling number	220 min
Specific weight	78kg
P/L	0.5-0.7

Similar to ukp specification



Production and import requirements

Year	Wheat		Barley		Corn	
	Production	Imports	Production	Imports	Production	Imports
16/17*	2,000,000	8,200,000	1,000,000	900,000	1,000	4,100,000
15/16	2,700,000	8,153,000	1,300,000	900,000	1,000	4,100,000
14/15	1,900,000	7,100,000	1,300,000	950,000	1,000	4,200,000

*Forecast

Source: USDA



Algeria harvested 3.3Mt of grain in 2016, down from 4Mt in 2015, because of drought.

Source: www.agriculture.com

Exporting to Algeria

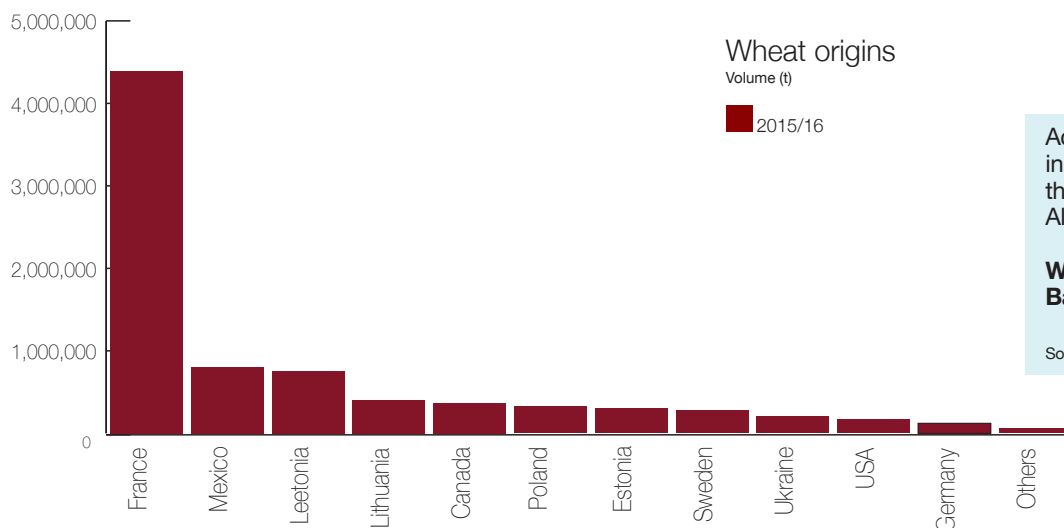
In order for companies to be included in OAIC's official list of suppliers enabling them to bid in tenders, the following documents need to be sent to the OAIC. Original documents are required in either French or Arabic and must be verified by the Algerian consular services.



- Company status/position
- Trade register (ie type of trade)
- List of main shareholders
- List of main managers/directors
- Balance sheet for the last two years
- Tax status of the company
- Location of head (registered) office.

The OAIC updates the list every three years.

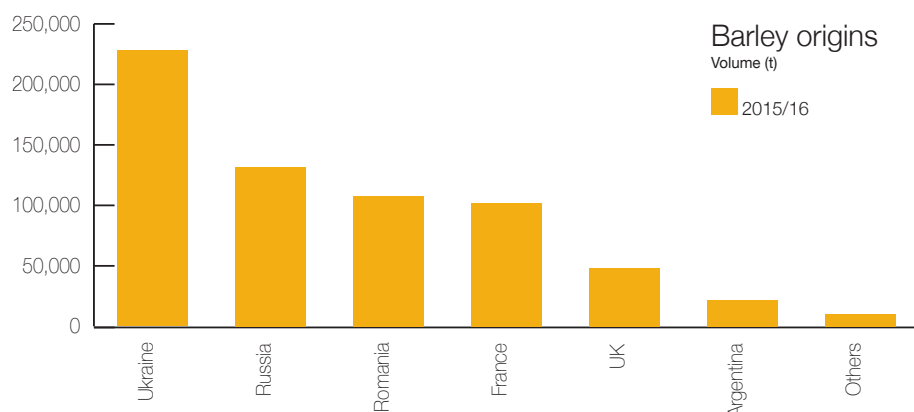
Competitors in the market



According to HM Customs, in 2015/16 the UK exported the following volumes to Algeria:

Wheat - 175,510 tonnes
Barley - 265,074 tonnes

Source: HM Customs

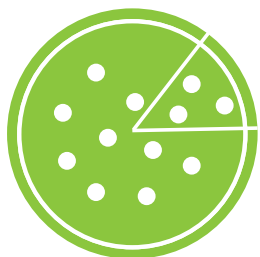


Source: Algerian Official Trade Data via USDA Grain Report, March 2016



Consumer trends

Cereal products are the main staple in the Algerian diet



Frozen pizza dough is another growth area catering for consumers with busy lifestyles and a desire to spend less time cooking.



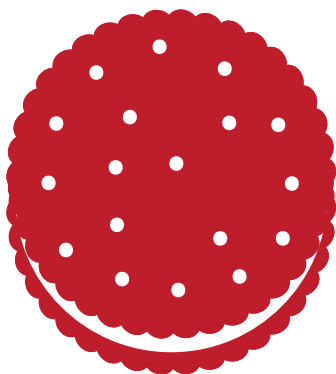
are increasing on city streets

Mobile Crêperie Stands

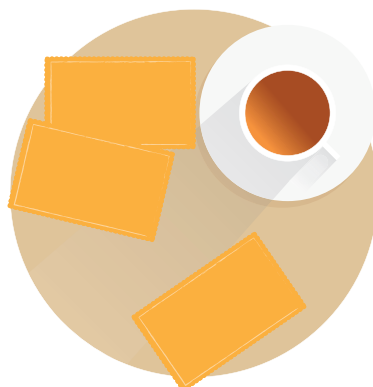
The largest biscuit manufacturer in Algeria is BIMO, with a market share of **35%**. It produces **Western style** biscuits reflecting the latest trends in consumer habits.

French style baguettes most widely consumed in Algeria

Main types of biscuits consumed:



Chocolate filled, chocolate chip and other chocolate based biscuits are popular as snacks among young children and teenagers.



Milk and plain cereal based biscuits are popular among children and women, at breakfast or with coffee.



Consumers are increasingly influenced by western consumer habits.



Biscuit manufacturers are mainly targeting children, teenagers and women.

The high fat and sugar content in Algerian biscuits indicates that health is not a major concern among consumers



Animal feed market



Barley is consumed mainly as grain in animal feed by sheep, cattle and camels, with small amounts consumed as green fodder, and minor amounts used for traditional foods.



Barley consumption is a function of weather-related pasture conditions – in general, better pasture conditions result in decreased demand for imports.

Consumption has trended upward since 2000, with increasing animal numbers, particularly sheep, better rations that include more barley, and efforts to introduce barley into the dairy ration.

Of the approximately 2Mt of barley that is consumed, 1.7Mt is for animal feed while the remainder goes for feed, seed and industrial use.

Wheat and barley supply and demand (tonnes)

	Wheat 2015/16	Wheat 2016/17 Forecast	Barley 2015/16	Barley 2016/17 Forecast
Opening Stocks	3,768,000	4,346,000	1,304,000	1,354,000
Production	2,700,000	2,000,000	1,300,000	1,000,000
Imports	8,153,000	8,200,000	900,000	900,000
Total Supply	14,621,000	14,546,000	3,504,000	3,254,000
Total Demand	10,250,000	10,450,000	2,150,000	2,050,000
Animal feed & residual	50,000	50,000	1,700,000	1,700,000
Exports	25,000	25,000	-	-
Closing stocks	4,346,000	4,071,000	1,354,000	1,204,000

Source: USDA