

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 2022/23 soybean imports are expected to reach 560,000 MT, compared to 555,000 MT in MY 2021/22. Tunisian olive oil exports are forecast to reach 135,000 MT in MY 2022/23, compared to 200,000 MT in MY 2021/22.

OILSEEDS SECTION:

Table1: Soybean Production, Supply and Distribution

Oilseed, Soybean Market Year Begins Tunisia	2020/2021		2021/2022		2022/2023
	Oct 2020		Oct 2021		Oct 2022
	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)	30	30	5	32	37
Production (1000 MT)	0	0	0	0	0
MY Imports (1000 MT)	540	540	650	555	560
Total Supply (1000 MT)	570	570	655	587	597
MY Exports (1000 MT)	0	0	0	0	0
Crush (1000 MT)	490	439	530	450	460
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	75	99	100	100	100
Total Dom. Cons. (1000 MT)	565	538	630	550	560
Ending Stocks (1000 MT)	5	32	25	37	37
Total Distribution (1000 MT)	570	570	655	587	597

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 2022/23, Post expects Tunisia's crushing facility demand to slightly increase compared to MY 2020/21 and MY 2021/22. This is due in part to an anticipated small rebound in Tunisia's food service sector, (a significant poultry and beef consumer). Tunisia's food service sector took a sharp hit during COVID-19 and needs time to fully recover. Tunisian millers report that the industry is keeping direct feed use (full fat soybean) steady at the same level recorded in MY 2020/21. Post decreases soybean crush to reflect industry's final number for MY 2020/21.

Stocks: Industry strives to maintain at least 30 processing days of storage, or about 48,000 MT. Industry sources also confirm beginning and ending stocks in MY 2020/21 were 30,000 and 32,000 MT respectively. In MY 2021/22, ending stocks are revised higher reflecting higher beginning stocks. Note that the slightly growing population is the main driver of year-on-year consumption.

Trade: Change to the MY 2021/22 import estimate reflects estimated crush and consumption declines and the MY 2022/23 import forecast reflects an anticipated slight increase in consumption.

Tunisian import policy changed in MY 2021/22, giving soybean meal imports zero duty status. 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 duty will not have a significant impact on MY 2021/22 soybean meal imports. Industry explains that despite the existence of the tariff, the Ministry of Agriculture would frequently

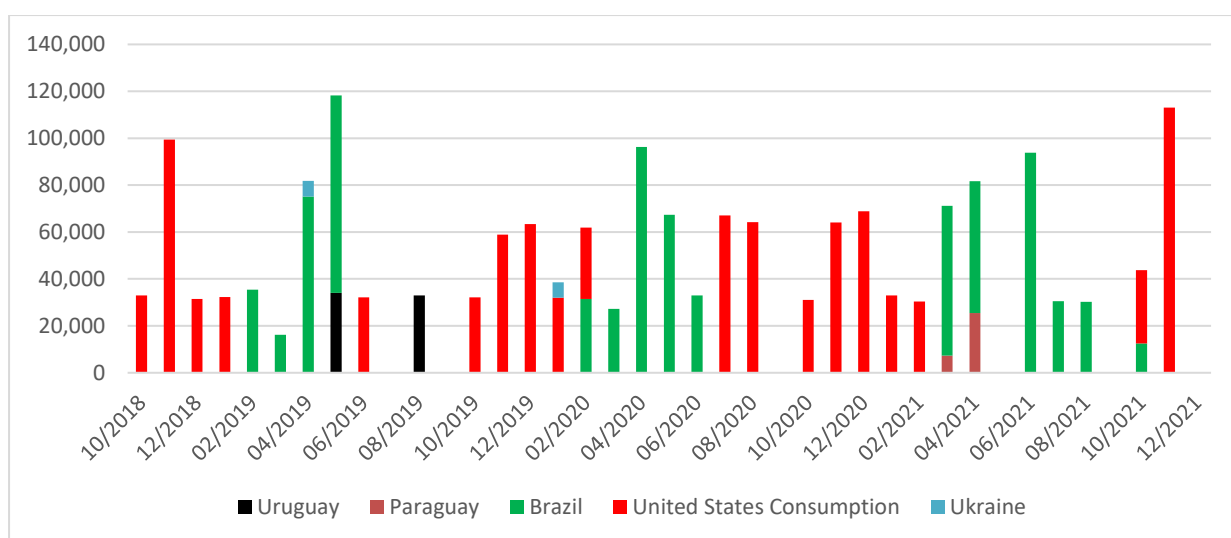
issue tariff exemptions for soybean meal imports, and that Tunisian industry anticipates the 15 percent tariff will be reimposed in 2022/23.

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

MEALS SECTION:

Table 3: Soybean Meal Production, Supply and Distribution

Meal, Soybean Market Year Begins Tunisia	2020/2021		2021/2022		2022/2023
	Oct 2020		Oct 2021		Oct 2022
	USDA Official	New Post	USDA Official	New Post	Post Estimate
Crush (1000 MT)	490	439	530	450	460
Extr. Rate, 999.9999 (PERCENT)	0.7959	0.7403	0.7962	0.7778	0.7935
Beginning Stocks (1000 MT)	39	39	36	32	34
Production (1000 MT)	390	325	422	350	360
MY Imports (1000 MT)	87	87	70	89	89
Total Supply (1000 MT)	516	451	528	471	483
MY Exports (1000 MT)	10	10	12	12	12
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)	470	409	480	425	435
Total Dom. Cons. (1000 MT)	470	409	480	425	435
Ending Stocks (1000 MT)	36	32	36	34	36
Total Distribution (1000 MT)	516	451	528	471	483

Production: No significant changes are currently seen or expected in extraction rates. Soybean meal production and ending stocks in MY 2020/21 are revised lower based on industry’s final number.

Consumption: Post estimates soybean meal consumption to increase slightly in MY 2021/2022 and in 2022/2023 compared to MY 2020/21. This increase reflects growth in Tunisian animal feed production and the general rise in Tunisia’s dairy, livestock, and poultry sectors. 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		
			2018/19	2019/20	2020/21
Production			432.6	485.9	335.8
	Soybean Meal ⁽¹⁾	1	422	475	325
	Fish Meal ⁽²⁾	1.445	10.6	10.9	10.8
Imports			33.3	1.8	96.7
	Soybean Meal ⁽¹⁾	1	20	0	87
	DDGS ⁽³⁾	0.58	12.1	0	8.6
	CGM & CGF ⁽³⁾	0.68	0.5	0.8	0.3
	Fish Meal ⁽³⁾	1.445	0.7	1	0.8
	Others ⁽³⁾	0.4515	0	0	0
Exports			11.1	1.8	10.1
	Soybean Meal ⁽¹⁾	1	11	8	10
	Fish Meal ⁽³⁾	1.445	0.1	0.1	0.1
Balance			455.1	485.9	422.4

Source: (1) PSD, (2) Industry, (3) TDM 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. However, in practice stocks are usually around 15 days of consumption.

Trade: Post increases MY 2021/2022 soybean meal imports to reflect estimated lower production and beginning stocks. Soybean meal imports in 2022/2023 are forecast at the same level as in MY 2021/22. Note that increases in animal feed production will be offset by the slight increase in the import of soybeans and increased soybean meal production in Tunisia.

Tunisian trade contacts report significant soybean meal exports to Libya. However, contacts note that the Libyan market is opaque, and data on exported volumes does not exist.

OILS SECTION:

Table 5: Olive Oil Production, Supply and Distribution

Oil, Olive Market Year Begins Tunisia	2020/2021		2021/2022		2022/2023
	Nov 2020		Nov 2021		Nov 2022
	USDA Official	New Post	USDA Official	New Post	Post Estimate
Area Planted (1000 HA)	1980	1980	2000	2000	2020
Area Harvested (1000 HA)	0	0	0	0	0
Trees (1000 TREES)	94000	94000	96000	96000	98000
Beginning Stocks (1000 MT)	127	127	2	2	9
Production (1000 MT)	142	142	270	240	170
MY Imports (1000 MT)	2	2	2	2	2
Total Supply (1000 MT)	271	271	274	244	179
MY Exports (1000 MT)	239	239	225	200	135
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	30	30	40	35	35
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0
Total Dom. Cons. (1000 MT)	30	30	40	35	35
Ending Stocks (1000 MT)	2	2	9	9	9
Total Distribution (1000 MT)	271	271	274	244	179

Table 6: Soybean Oil Production, Supply and Distribution

Oil, Soybean Market Year Begins Tunisia	2020/2021		2021/2022		2022/2023
	Oct 2020		Oct 2021		Oct 2022
	USDA Official	New Post	USDA Official	New Post	Post Estimate
Crush (1000 MT)	490	439	530	450	460
Extr. Rate, 999.9999 (PERCENT)	0.1857	0.1845	0.1849	0.1889	0.1891
Beginning Stocks (1000 MT)	27	27	3	3	3
Production (1000 MT)	91	81	98	85	87
MY Imports (1000 MT)	95	95	115	120	125
Total Supply (1000 MT)	213	203	216	208	215
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)	210	200	205	205	210
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0
Total Dom. Cons. (1000 MT)	210	200	205	205	210
Ending Stocks (1000 MT)	3	3	11	3	5
Total Distribution (1000 MT)	213	203	216	208	215

Table 7: Palm Oil Production, Supply and Distribution

Oil, Palm Market Year Begins Tunisia	2020/2021		2021/2022		2022/2023
	Nov 2020		Nov 2021		Nov 2022
	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)	27	27	8	8	8
Production (1000 MT)	0	0	0	0	0
MY Imports (1000 MT)	46	46	65	65	66
Total Supply (1000 MT)	73	73	73	73	74
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)	65	65	65	65	67
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0
Total Dom. Cons. (1000 MT)	65	65	70	70	74
Ending Stocks (1000 MT)	8	8	8	8	7
Total Distribution (1000 MT)	73	73	73	73	74

Production: MY 2022/23 olive oil production is forecast at 170,000 MT, reflecting the alternating low-fruit bearing cycle which had high production in MY 2021/22. Post currently estimates MY 2021/22 at 240,000 MT, based on Tunisia's ongoing harvest which began in November 2021 and will finish in March 2022. 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 1,750 private olive mills scattered throughout the production area.

Soybean oil production in MY 2020/21 is revised lower based on industry-reported final data.

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	2020/21
Production ⁽¹⁾	Non-Olive Veg Oil	100	112	81
	Soybean Oil	100	112	81
Imports ⁽²⁾	Non-Olive Veg Oil	183	222	159
	Soybean Oil	76	85	95
	Sunflower Oil	19	18	18
	Corn Oil	23	31	0
	Palm Oil	57	74	46
	Copra Oil	8	9	0
	Palm Kernel Oil	6	5	0
Exports ⁽³⁾	Non-Olive Veg Oil	7	1	0
	Soybean Oil	7	1	0
Balance	Non-Olive Veg Oil	276	333	240

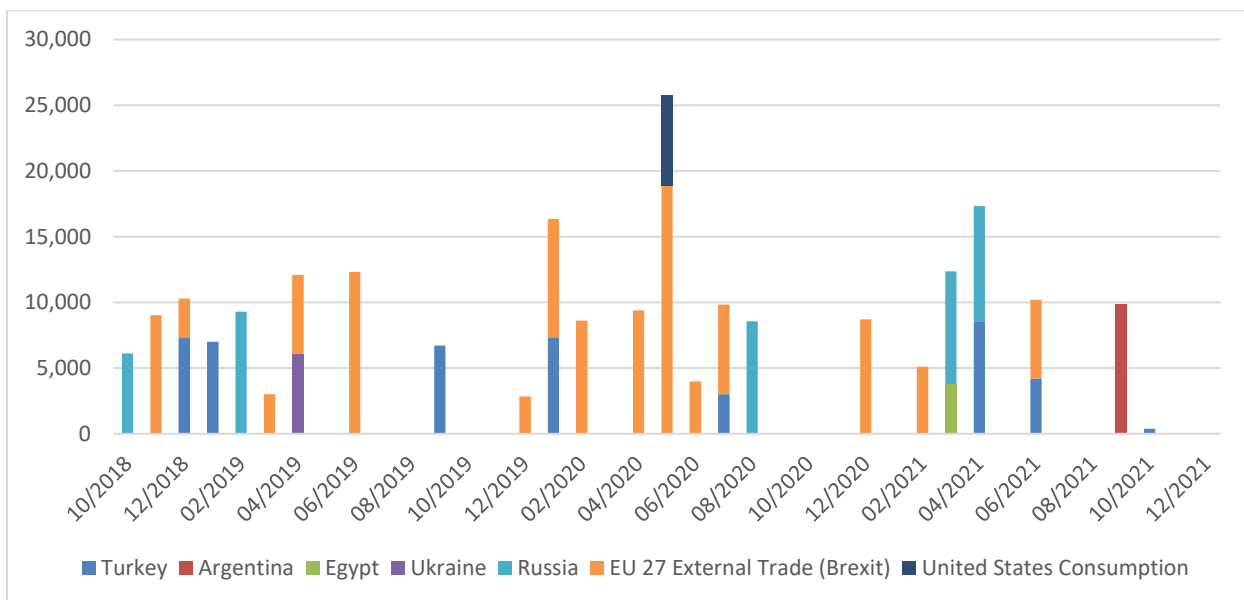
Source: (1) PSD, (2) TDM derived data by calculating imports/exports by exporters or importers

Domestic olive oil prices have risen for local consumers due to price inflation in MY 2021/22. The average domestic price for Tunisian olive oil is currently \$3.80 per liter, compared to \$3.25 the same time last year. In MY 2022/23 olive oil consumption is forecast to reach the same level recorded in MY 2021/22.

Trade: Tunisia’s primary export markets for olive oil are Europe and the United States that absorb 63 percent and 23 percent respectively, with 12 percent of total production sold in bottles in MY 2020/21. However, the volume of bottled olive oil exports is increasing, and this remains a government priority. Most exports are facilitated by the National Oil Board (ONH).

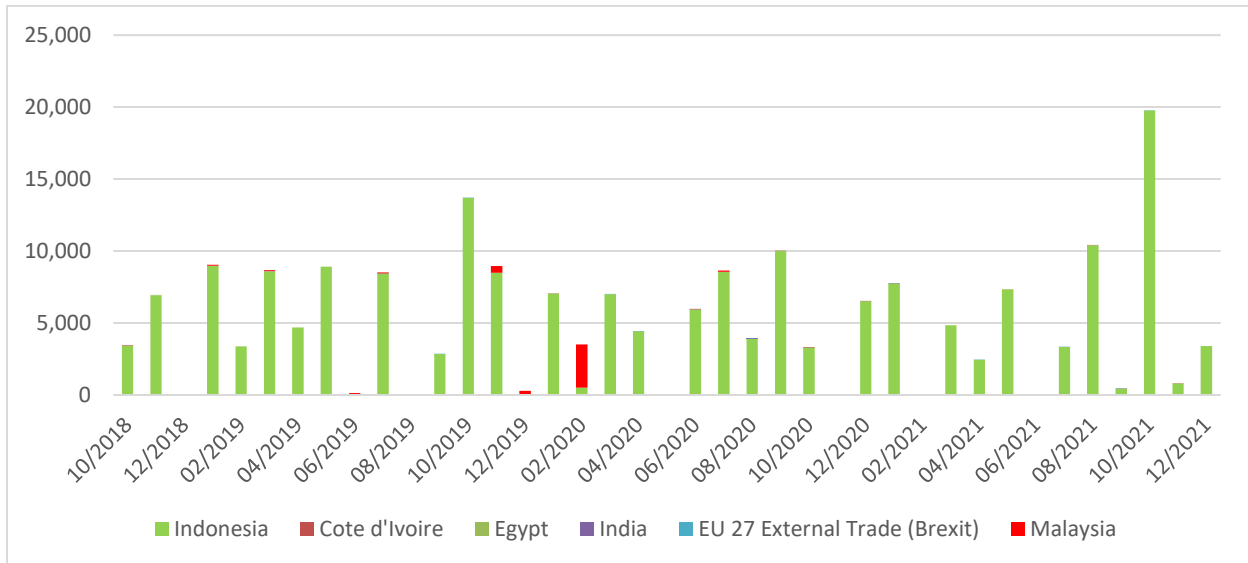
Soybean oil is Tunisia’s largest vegetable oil import, followed by palm, corn, and sunflower oils. Soybean, sunflower, and corn oil are imported crude, as supported by an advantageous tax structure (see policy section below). However, palm oil is generally imported refined. The majority of refined corn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

Figure 3: Palm Oil Exports to Tunisia (MT)



Source: Trade Data Monitor

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 200,000 MT to 250,000 MT by 2025 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 0.2 MT of olive oil per hectare to no less than 0.25 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