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Approved by:

Merritt Chesley, Rabat, Morocco

U.S. Embassy

Prepared by:

Salah Mahjoub, Tunis, Tunisia

Report Highlights:

The Tunisian vegetable oil and protein meal markets are price sensitive and quality plays a small role in purchasing decision. In 2000, the U.S. market share of the protein meal imports (soybean meal) increased to 21 percent. The EU-Tunisia Agreement that went into force in January 2001 is not expected, at this time, to have any significant adverse effects on U.S. exports of soybean oil and soybean meal to Tunisia.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Rabat [MO1], TS

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Executive Summary

Except for olives produced for oil, Tunisia does not have any significant production of oilseed crops. Tunisia does not possess significant crushing facilities for soybeans or other oilseed crops. All of its protein meal requirements for compound feed manufacturing are essentially provided through imports from the US and Argentina.

Because of more competitive prices for rapeseed oil in 2000, imports of rapeseed oil increased at the expense of imports of soybean oil. The Tunisian vegetable oil market is price sensitive and quality plays a small role in GOT purchasing decisions.

TOTAL OILSEEDS

Production

Tunisia has no significant production of oil bearing crops other than olives. Olive production in 2000/2001 is expected to reach 600,000 MT as compared to an average production of about 740,000 MT. This significant decrease (of about 18 percent) in olive production, compared to the average, was due to the crop cycle coupled with below average rainfall during the flowering stage of olive trees.

Tunisia continues to have a limited production of peanuts amounting to approximately 1,000 MT for edible use and negligible sesame seed production. Most of the consumption requirements of peanuts and sesameseed are filled through imports. In addition, Tunisia produces small quantities of sunflower-seed for edible use, estimated at about 10,000 MT. Climatic conditions, including scarce water resources, have been limiting factors for expanding sunflower for oil production in Tunisia.

A rapeseed farming project, initiated in 1991 with French assistance, has been scaled down and only a few hundred hectares were seeded in 2000.

Consumption

Tunisia consumes small quantities of sunflower-seed and peanuts. Sunflower-seed consumption is about 10,000 MT annually, while Tunisia's annual consumption of peanuts has remained stable during the last few years and is about 4,500 MT (shelled basis). Sesameseed consumption is estimated at about 6,000 MT, mostly for confectionary use.

Trade

Most of Tunisia's requirements for edible oil are met from imports of vegetable oil (refined locally) or from its own production of olive oil pressed domestically. In 2000, it is estimated that about 6,300 MT of sesame seeds were imported, while about 9,000 MT of palm oil valued at \$ 3.455 million were imported, mostly from Malaysia, for the margarine industry.

Policy

GOT agricultural policy, as set forth in the IXth Development Plan (1997-2001), continues to encourage domestic production and exports as well as minimizing imports to save foreign exchange outlays. The GOT oilseed policy continues to be oriented toward the protection of domestic production of olive oil, which currently satisfies about 25 percent of the local demand for oil. Further, cheaper vegetable oils such as soybean oil are imported to free olive oil for export markets.

The EU-Tunisia Agreement which entered into force on January 1, 2001 increased Tunisia's zero duty olive oil annual exports by 4,000 MT to reach 50,000 MT. Further, starting January 1, 2002, this quantity will be increased annually by 1,500 MT over four years, with a view to reaching an annual quantity of 56,000 MT from January 1, 2005.

TOTAL OILMEALS

Production

All soybean meal used in Tunisia is imported and used in compound feed manufacturing. There are about 160 feedmills manufacturing animal feed following a set of government approved feed formulas. In 2000, total compound feed production was about 1,320,000 MT (about 60 percent for the poultry industry) and is forecast at 1,400,000 MT for 2001.

Consumption

Imported soybean pellets are the major source of protein used in Tunisia's animal feed compound. It is estimated that 75 percent of imported soybean meal is used in broiler and egg production, while the rest is used in the livestock sector.

The increase in Tunisia's soybean meal consumption is attributed to an exceptionally higher demand for compound feed for poultry (broilers and layers) and dairy cattle.

Trade

Tunisian soybean meal imports increased in 2000, due to higher demand for feed by the poultry industry operators and some progressive dairy farmers who started following more efficient feeding practices and a nascent feedlot industry. Most of the Tunisian trade prefers Argentinian soybean meal exports, which are mostly pelletized, because of a lack of adequate storage for soybean meal. In 2000, imports of U.S. meal increased, largely due to the fact that one very progressive feed company has started importing some Hi Pro soymeal from the U.S.. Soybean meal and pellets imports are subject to 17 percent duty and 6 percent VAT.

The EU-Tunisian Agreement which entered into force January 1, 2001 establishes a preferential tariff quota for the imports of 6,000 MT of oil cake at a tariff rate that will be reduced (from 17 percent in 2000) to zero percent in five equal steps between January 1, 2001 and January 1, 2005.

Marketing

A multi-year project designed and implemented jointly by ASA and the USGC would be an innovative and effective approach in promoting increased consumption of soybean meal and corn in Tunisia.

TOTAL OILS

Production

Olive oil is the only edible oil produced in Tunisia on a commercial scale. (See TOTAL OILSEEDS, Production section.) For the 2000/2001 crop, olive oil extraction and refining is handled by about 1400 plants operating throughout the olive production regions in Tunisia.

In 2000, rapeseed oil production was estimated at about 1,000 MT at a pilot crushing facility associated with the French farming project.

Consumption

In 2000, domestic olive oil consumption decreased due to the higher consumer prices for olive oil. This drop was partially offset by increases in Tunisian consumption of rapeseed oil, the result of higher available supply of rapeseed oil and more competitive import prices.

In 2000, Tunisian palm oil consumption remained at its previous year's level of about 9,000 MT. It is projected that palm oil consumption will increase by 2 to 3 percent in 2001 on account of the expansion of the margarine industry that health awareness (margarine contains less cholesterol than butter) has triggered.

Almost all of Tunisian vegetable oil imports are refined and bottled locally. Vegetable oils are sold mainly in bottles but there are some quantities sold in bulk, especially in rural areas. The consumer price of pure vegetable oil is around USD 0.46 per liter while that of olive oil is now about 4.6 times the price of vegetable oil. Tunisian per capita consumption of vegetable oil was estimated at about 16 liters per year in 2000.

Trade

Tunisian olive oil exports represent a main source of foreign exchange. Total olive oil exports in 2000, most of it to European Union (EU) countries, declined substantially as a result of competition from substantially higher available supply of olive oil for export in other olive oil producing countries of the world, such as Spain and Italy.

Tunisian imports of soybean oil are largely from the EU. However, an estimated 60 percent of EU soybean oil is processed from U.S. beans.

Total palm oil imports (primarily from Malaysia) amounted to about 9,000 MT in 2000.

Policy

Despite aggressive promotion initiatives undertaken by some private Tunisian operators (using the theme "olive oil is cholesterol free; Tunisian olive oil is better for your health"), Tunisian exports of olive oil dropped in 2000, because of continuing fierce competition by Italian exporters, and substantially lower demand for imports of olive oil by some EU countries that traditionally import Tunisian olive oil (for further processing, blending, packaging and re-exporting to their long time customer countries).

Domestically, consumer average retail prices for olive oil remained at the level of TD 3 (USD 2.19) per liter reached in the 1999 fall during the peak demand for export.

In 2001, Tunisian olive oil exports are expected to increase modestly as a result of the EU-Tunisia Agreement that went into effect on January 1, 2001, that increases from 46,000 MT to 50,000 MT the volume of olive oil allowed to enter the EU at a zero rate of duty.

Though vegetable oil imports into the Tunisian market have been liberated, private operators must comply with government tender specifications. These specifications include the provision that private edible oil operators must have available at least 10,000 MT of storage capacity before they can conclude any vegetable oil import contracts. The level of customs tariffs imposed on vegetable oil depends mainly on the degree of refining. Crude soybean oil imports are subject to 15 percent duty and zero percent VAT while crude rapeseed oil imports are subject to 15 percent duty and 18 percent VAT. Under the EU-Tunisia Agreement, an overall annual preferential tariff quota of 100,000 MT of vegetable oils (including soybean oil, rapeseed oil, ground nut oil, protein oil, etc) will have a tariff rate reduced from the current 15 percent to zero percent in five equal steps between January 1, 2001 and January 1, 2005. This situation would likely help U.S. trade as it would lead to more imports of EU soybean oil from U.S. beans, therefore substituting for Argentina imports.

Marketing

U.S. soybean oil prices are generally less competitive than EU soybean oil prices, despite the fact that a considerable amount of EU oil is processed from U.S. beans. This is because European importers of U.S. soybeans can benefit from the lower shipping costs associated with large shipments, but North African importers tend to purchase smaller shipments, which raises the freight costs for U.S. product. This has had a dampening effect on soybean oil imports from the U.S., since the Tunisian vegetable oil market is price sensitive and quality plays a very small role in GOT purchasing decisions. ASA's current market promotion program, a multi-year program focused on developing the market for higher quality oils, will hopefully help to address this situation and increase consumption of soybean oil in Tunisia.

Genetically Modified Organisms

Tunisia does not yet have legislation that controls the use of biotech ingredients in food and feed products. However, awareness has been building up amongst concerned GOT officials, and FAS/Tunis has been working with the GOT and with scientists since early 1998 to try to avert potential legislation that may impede trade. So far, imports of vegetable oils, soybean meal and corn have not been subject to any GMO related problems, neither when entering Tunisia nor during their processing and marketing.

Product Labeling

In 1998, Tunisia adopted international approved standards for labeling food and feed products sold domestically, and implementation of this decision has been initiated.

STATISTICAL SECTION

PSD Soybean Meal

PSD Table						
Country:	Tunisia					
Commodity:	Soybean Meal					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Crush	0	0	0	0	0	0
Extr. Rate	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	23	23	35	25	41	40
Production	0	0	0	0	0	0
MY Imports	217	237	240	264	0	272
MY Imp. from U.S.	50	8	50	53	0	60
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	240	260	275	289	41	312
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	216	235	234	249	0	267
Feed Waste Dom. Consum.	0	0	0	0	0	0
Total Dom. Consumption	216	235	234	249	0	267
Ending Stocks	24	25	41	40	0	45
TOTAL DISTRIBUTION	240	260	275	289	0	312
Calendar Year Imports	217	237	240	264	0	272
Calendar Yr Imp. U.S.	50	8	50	53	0	60
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix Soybean Meal

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Soybean Meal		
Time period:	MY		
Imports for	1999		2000
U.S.	8	U.S.	53
Others		Others	
Argentina	205	Argentina	180
E.U.	10	E.U.	11
Total for Others	215		191
Others not listed	14		20
Grand Total	237		264

PSD Soybean Oil

PSD Table						
Country:	Tunisia					
Commodity:	Soybean Oil					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Crush	0	0	0	0	0	0
Extr. Rate	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	16	16	24	24	32	16
Production	0	0	0	0	0	0
MY Imports	126	143	143	127	0	140
MY Imp. from U.S.	25	6	25	0	0	10
MY Imp. from the EC	0	98	80	95	0	100
TOTAL SUPPLY	142	159	167	151	32	156
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	125	135	135	135	0	141
Feed Waste Dom. Consum.	0	0	0	0	0	0
Total Dom. Consumption	125	135	135	135	0	141
Ending Stocks	17	24	32	16	0	15
TOTAL DISTRIBUTION	142	159	167	151	0	156
Calendar Year Imports	126	143	143	127	0	140
Calendar Yr Imp. U.S.	25	6	25	0	0	10
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix Soybean Oil

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Oil, Soybean		
Time Period:	MY		
Imports for	1999		2000
U.S.	6	U.S.	0
Other		Other	
Spain	58	Spain	52
Argentina	32	Argentina	21
Germany	25	Netherlands	18
Netherlands	9	Belgium	15
		Germany	10
Total of Others	130	Total of Others	116
Others not listed	7	Others not listed	11
Grand Total	143	Grand Total	127

PSD Rapeseed Oil

PSD Table						
Country:	Tunisia					
Commodity:	Rapeseed Oil					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Crush	0	0	0	0	0	0
Extr. Rate	ERR	ERR	ERR	ERR	ERR	ERR
Beginning Stocks	13	5	8	8	8	10
Production	1	1	1	1	0	1
MY Imports	8	18	18	24	0	12
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	5	18	5	21	0	23
TOTAL SUPPLY	22	24	27	33	8	23
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	12	16	16	23	0	17
Feed Waste Dom. Consum.	0	0	0	0	0	0
Total Dom. Consumption	12	16	16	23	0	17
Ending Stocks	10	8	11	10	0	6
TOTAL DISTRIBUTION	22	24	27	33	0	23
Calendar Year Imports	8	18	18	24	0	12
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Import Trade Matrix Rapeseed Oil

Import Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Rapeseed Oil		
Time period:	MY		
Imports for	1999		2000
U.S.		U.S.	
Others		Others	
France	12	France	12
Netherlands	3	Germany	6
Germany	3	Netherlands	3
		Sweden	3
Total for Others	18		24
Others not listed			
Grand Total	18		24

PSD Olive Oil

PSD Table						
Country:	Tunisia					
Commodity:	Oil, Olive					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	1339	1339	1340	1340	1340	1340
Area Harvested	1200	1200	1200	1200	1200	1200
Trees	55228	55228	55230	55230	55230	55230
Beginning Stocks	148	148	144	144	104	96
Production	220	220	150	120	0	170
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	368	368	294	264	104	266
MY Exports	135	164	130	118	0	125
MY Exp. to the EC	115	143	115	104	0	100
Industrial Dom. Consum.	0	0	0	0	0	0
Food Use Dom. Consump.	60	60	60	50	0	50
Feed Seed Waste Dm.Cn.	0	0	0	0	0	0
Total Dom. Consumption	60	60	60	50	0	50
Ending Stocks	173	144	104	96	0	91
TOTAL DISTRIBUTION	368	368	294	264	0	266
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	135	164	130	118	0	125
Calndr Yr Exp. to U.S.	4	7	9	6	0	7

Export Trade Matrix Olive Oil

Export Trade Matrix			
Country:	Tunisia	Units:	1,000 MT
Commodity:	Oil, Olive		
Time period:	MY		
Exports for	1999		2000
U.S.	7	U.S.	6
Others		Others	
Italy	77	Italy	91
Spain	66	Spain	13
Libya	10		
Total for Others	153		104
Others not listed	4		8
Grand Total	164		118