

Required Report: Required - Public Distribution

Date: November 05, 2024

Report Number: AG2024-0011

Report Name: Dairy and Products Annual

Country: Algeria

Post: Algiers

Report Category: Dairy and Products

Prepared By: Nabila Hales

Approved By: Evgenia Ustinova

Report Highlights:

Algeria's dairy sector remains a priority focus for the government. Currently, Algeria is among the global leaders in milk powder imports. In 2024, Post forecasts Algeria's imports of milk powder to line up with 2023 and 2022 levels. Meanwhile, imports of butter and cheese will continue to decrease in 2024. As Algeria's dairy production expands, Post believes there will be ample space for bovine genetics and live cattle investments and trade. In 2023, USDA secured market access for U.S. bovine genetics; market access for U.S. dairy breeding cattle is currently under discussion with the Ministry of Agriculture.

Executive Summary

The Government of Algeria (GOA)'s focus on expanding the dairy sector and improving milk production remains a priority. The Ministry of Agriculture (MOA) has implemented several programs in the past to expand herd size and productivity to develop the milk production by increasing access to artificial insemination, embryo transfer, and importing pregnant heifers and dairy cattle.

In 2022 local fluid milk production was estimated at 2.5 million metric tons (MMT), while domestic market needs for fresh milk were estimated at 4.5 MMT. Algeria collects around 800 million liters of dairy cow milk per year. The GOA continues to provide incentives in annual support for the local production of fresh milk.

Algeria does not produce milk powder. Algeria still relies on imports of milk powder to fulfil the needs. Algeria imported almost the same amount of milk powder in both CY 2022 and CY 2023. Imports in 2024 to line up with previous year level. Post estimate and forecast are based on the trade trends in 2023 as well as first nine months of 2024, as well as international dairy powder price environment.

Algeria's imports of both butter and cheese are on a downward trend the past five years due mainly to the measures implemented to control imports of food products as well as international prices that are on upward trend. Post forecasts that imports of butter and cheese will continue to decrease in CY 2024.

The dairy Sector remaining a Priority for the Government of Algeria:

Developing the dairy sector remains a priority in the government of Algeria (GOA)'s strategy to reduce imports of milk powder. The Ministry of Agriculture (MOA) has implemented several programs in the past to expand herd size and productivity including by increasing access to genetics procedures such as artificial insemination and embryo transfer, as well as importing pregnant heifers and dairy cattle.

However, despite these ongoing programs, Algeria still relies on imports of milk powder to fulfil the domestic demand for milk and dairy products. Algeria does not produce milk powder.

Algeria's Dairy Herd

According to the 2018 MOA statistics, Algeria's dairy cow herd size was estimated at just over 970,000 head. In June-August 2024, the MOA carried out a new agricultural census, though data has not yet been released. Dairy industry interlocutors estimate that Algeria's dairy herd reaches about 900,000 head out of 1.8 million total cattle. The predominant breeds are Monbeliard (60 percent) and Holstein (30 percent) respectively, followed by Brune des Alpes, Simmenthal, Jersey to a lesser extent, all imported from Europe, as the market is not open to U.S. cattle.

In recent years, Algeria's dairy farms developed and expanded. Currently the sector features small dairy farms with 20 to 60 cows that average about 19 liters of fluid milk production per day, mid-size farms with between 80 to 200 cows, and the so-called mega farms starting from 400 to 1600 head. Now that farms have grown, overall, milk production averages 20 to 23 liters per day with some exceptions that can reach 26 to 30 liters per day. However, many farmers do not track volumes per each milking. In the past the average was 6 to 8 liters per cow per day. In Algeria, dairy farmers milk their cows twice a day.

According to dairy industry sources, five provinces are the largest producers of fresh milk in Algeria: Souk Hras, Setif and Batna in the eastern region, Sidi Bel Abbes in the western region and Ghardaia in the Sahara. Drought has plagued Algeria's Mediterranean seaboard for several years – particularly in the West - impacting fodder and pasture production. Post believes that pasture conditions constrain herd expansion. However, Post anticipates that the sector will grow, increasingly using semi-confinement and confinement models, spurred by government subsidies and large-scale investments.

Fresh Milk

Production

According to MOA figures, in 2022, local fluid milk production was estimated at 2.5 billion liters per year – equivalent to 2.5 million metric tons (MMT), while domestic market needs for fresh milk were estimated at 4.5 million liters per year (4.5 MMT). Cow's milk represents 70 percent of the domestic production, or about 1.75 billion liters. Other milk production comes from sheep and goats. Camel dairy production is marginal. However, the MOA is encouraging camel and goat breeding in the Saharan areas to improve camel milk production.

Algeria's milk production varies from year to year based on three factors: milk powder import volumes, feed cost, and pasture conditions/ climate. When milk powder imports increase, this increases

competition for local farmers - specifically small farmers - as collectors and processors tend to collect less fresh milk from breeders which discourage them from producing more.

Algeria’s domestic production of fresh milk was increasing from 2009 to 2017, but then it stagnated due to drought’s impact on pasture and feed cost and decreased from 2019 to 2021.

Algeria collects around 800 million liters of dairy cow milk per year. Industry believes this number represents 80 percent of all production; with the remaining 20 percent going for calf feeding, private use, or waste.

The GOA continues to provide incentives with more than 18 billion Algerian Dinars (DZD), (\$129 million) in annual support for the local production of fresh milk. These subsidies mainly include subsidies for dairy cattle breeders, milk collectors, and dairy processors.

Table 1: Algeria’s Milk Production Subsidies

Milk Production Subsidies (per liter)		
Recipient	Dinar (DZD)	USD*
Dairy cattle breeder	12	\$ 0.09
Milk collectors	5	\$ 0.04
Dairy processors	4	\$ 0.03

Source: FAS Algiers; note that US Dollar conversion is computed at the official exchange rate of 133 DZD per USD as of October 15, 2024.

The dairy cow breeders receive a subsidy of 60,000 AD (\$444.44) for each new dairy cow birth, while ensuring veterinary coverage and free vaccination against foot-and-mouth disease. The MOA also supports fodder production and irrigation as well as acquisition of fodder seeds, the production of silage and wrapped fodder, as well as provides subsidies for the construction of stables and the acquisition of irrigation systems to produce fodder.

Despite these programs over these years, constraints still remain in animal husbandry, feed and nutrition management. In addition, there is need for improved genetics and modern fresh milk collection system.

GOA Addresses Dairy Production in the Agricultural Roadmap

To address production shortfall, in its Agricultural Roadmap 2020-2024, the GOA encourages modern industrial agriculture, using new technologies, digitization as well as innovative tools and renewable energies. The government’s five-year plan re-orientes towards modern agricultural complexes with intensive production. The goal is to move towards fully integrated dairy facilities that produce quality fresh milk from pasture-fed cows, as well as milk collection centers and heifer nurseries. To do so, the Ministry of Agriculture has engaged in programs involving land grants to private industrialists and investors to launch farms. The MOA has created the office for the development of industrial agriculture

in the Saharan areas to promote agriculture investments. The latter is facilitating procedures for investors (local and foreign) in their projects using new technologies and innovative tools. This has encouraged local farmers to grow mega dairy farms and foreign investors to launch dairy projects in Algeria. In 2022, Qatar's Baladna announced plans for a \$3.5 billion commercial dairy operation in Algeria. According to press reports, Qatar acquired 117,000 ha land concession in the Sahara (Adrar province in the western region) to open dairy cattle breeding program and milk production site. In September 2024, Baladna broke ground on the project that envisions import of approximately 50,000 dairy heifers in 2025 and 2026. Baladna expects that within 10 years, the project will be the largest integrated vertical farm in the world spanning 117,000 hectares, with more than 270,000 head herd, producing about 1.7 billion liters of milk annually. The project envisions a milk powder production plant. Baladna also envisions growing corn and alfalfa for animal feed.

As part of the Roadmap, the MOA also encourages the creation of small dairy units in the mountainous areas and encourages camel and goat breeding in the Saharan areas. The MOA has urged the small farmers to modernize their livestock structures and equipment to improve management and milk collection. The MOA has also encouraged dairy farmers to organize into cooperatives to reduce production costs by sharing the use of the equipment and access to bank credits.

Opportunities exist for U.S. industry in the areas of advanced agricultural technologies and planting seeds needed to establish and operate integrated production farms. Opportunities are also available for dairy animal genetics, particularly since the U.S. and Algerian veterinary officials recently reached agreement on the health certificate to allow exports of U.S. embryos and bovine semen into Algeria. USDA is currently negotiating bilateral health export certificates for U.S. beef cattle, as well as breeding cattle. There are also opportunities in fodder and feed sectors, as the Algerian dairy sector has always suffered from deficits in both, due to climatic conditions and sub-optimal genetics. In addition, animal husbandry practices and nutrition management still need improvement.

In September 2023, FAS Algiers organized a first ever three-day educational seminar on ruminant health and genetics, gathering members of U.S. livestock and genetics industry with Algerian government and private local industry including veterinarians, breeders, and livestock importers. The seminar covered areas of interest such as dairy cattle reproduction, nutrition, diseases, laboratory testing methods, dairy production and animal husbandry management, as well as semen and embryo handling. In June 2024, the National Center for Artificial Insemination and Genetic improvement (CNIAAG) received the first shipment of U.S. bovine semen (conventional and sexed) ordered by Algeria's dairy mega farms. In September 2024, FAS Algiers organized a reverse trade mission to the World Dairy Expo in Madison. The buyers had the opportunity to meet with the U.S. semen and embryos exporters and visit dairy farms and the World Dairy Expo to understand the U.S. genetic industry.

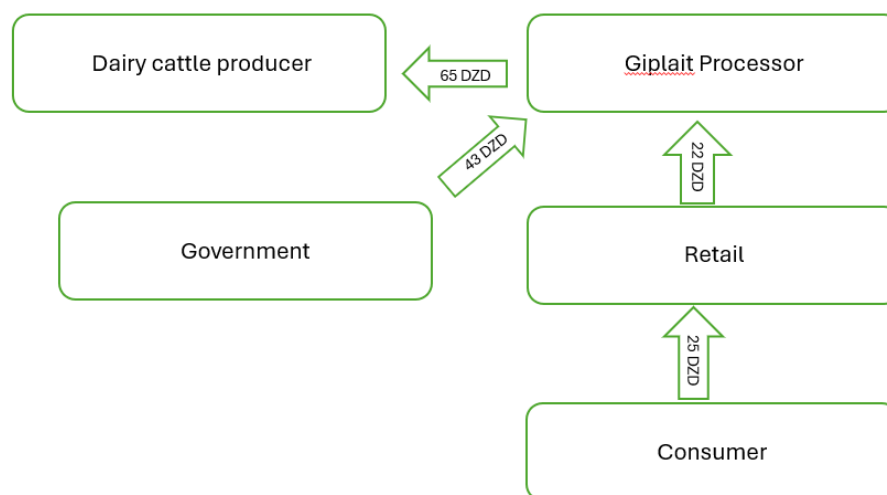
Consumption

The majority of Algeria's fresh fluid milk is collected by processors who integrate it into the dairy processing lines with the milk powder or use it for production of camembert cheese and other dairy products. Fresh, pasteurized milk is available in one liter plastic bags at retail in just a few of Algeria's 58 provinces, including in Setif, Sidi Bel Abbes, and Ghardaia. In May 2024, the Ministry of Agriculture launched a new system for producing partially skimmed pasteurized raw milk by the Public Group for the Production of Milk and Derivatives; Giplait. This new product, packaged in sachets and

sold at the subsidized price of DZD 25, marks a major step forward in the country's strategy to reduce its dependence on powdered milk imports and to support local production.

“This new product will not only preserve consumers’ purchasing power but also supply the market with 100% Algerian products,” said the Minister of Agriculture ,Youcef Chorfa, during the launching ceremony. The Giplait group, through this new product, contributes to ensuring the availability of milk in sachets and of good quality on the one hand, and to collecting all the raw milk produced by breeders," reiterated Minister Chorfa. "This new production also aims to preserve the purchasing power of citizens by marketing this milk at DZD 25 per sachet like the one made from milk powder. The minister indicated that this new system will be "launched and gradually generalized" to all production units of the "Giplait" group spread across the country and will be open to all later.

This new system works as follows: the processor collects the fresh milk from the farmer at DZD 65. The processor will sell the processed fresh milk to the store at DZD 22 and get the difference (DZD 43) from the government as a subsidy, while the stores will sell the fresh milk at DZD 25 (ceiled price). Giplait is a state-owned dairy processing group of plants (fifteen across the country). As mentioned above, this new system is aimed to preserve the consumer purchasing power. The group will get the price difference as a subsidy from the GOA but will not make profit.



Source: FAS Algiers

Milk Powder

Production

Algeria still relies on imports of milk powder to fulfil the shortfall in the domestic consumption demand. Algeria does currently not produce dairy powder. Dairy products are considered a staple and always come second behind cereals in Algeria’s list of imported products. However, once the Qatar Baladna

dairy project comes online, it is projected to create domestic milk powder production. At full production capacity, Baladna expects to produce 194,000 MT of milk powder per year, all of it destined to the state's milk processor operation, Giplait.

Consumption

The GOA estimates domestic milk consumption needs at 4.5 MMT annually, of which 55 percent comes from domestic production. The 2 MMT shortfall is fulfilled with imported milk powder processed into reconstituted milk.

Reconstituted milk has historically been the most consumed milk made of blends of imported non-fat dry milk and anhydrous milk fat. Milk is sold on the local market as two main products; pasteurized reconstituted milk in small bags of one liter with 24-hour shelf-life at a GOA fixed price of DZD 25 (\$0.19) per liter; and UHT in tetra pack boxes with market price of DZD 140 (\$1 USD) per liter. Whole milk powder is also imported in small boxes of 500g for direct sale to consumers at market price.

The milk processing industry is comprised of public and private processors. Giplait, the state-owned company is the leader in the pasteurized reconstituted milk market with 60 percent of the market. Because of the low fixed prices for pasteurized fluid milk, the private sector has typically played a major role in the production of processed dairy products - yogurt, cheese, butter, l'ben (sour milk), and dairy desserts. The diversification of dairy production has increased Algeria's dairy consumption, making it one of the top consumers globally, and the leading consumer in North Africa. This made Algeria one of the largest importers of milk powder in the world.

As the GOA's strategy is to control and reduce imports of milk powder, the latter is trying to encourage consumers to favor fresh milk produced locally rather than reconstituted milk. With the implementation of the development programs, the GOA gives incentives for the integration of fresh milk in the dairy processing industry. Local processors produce pasteurized fresh milk with a 24-hour shelf-life in one-liter plastic bags, in addition to the UHT tetra pack fresh milk.

Post has revised consumption estimates as the total need for milk powder has been revised by the GOA. Given the GOA strategy to reduce imports and encourage fresh milk consumption Post forecasts consumption to grow with population growth (1.55 percent in 2023). Post estimates consumption of full fat milk powder at 256,000 MT for CY 2023 and 260,000 MT for CY 2024. Post estimates consumption of non-fat dry milk at 173,000 MT and 176,000 MT respectively for CY 2023 and CY 2024.

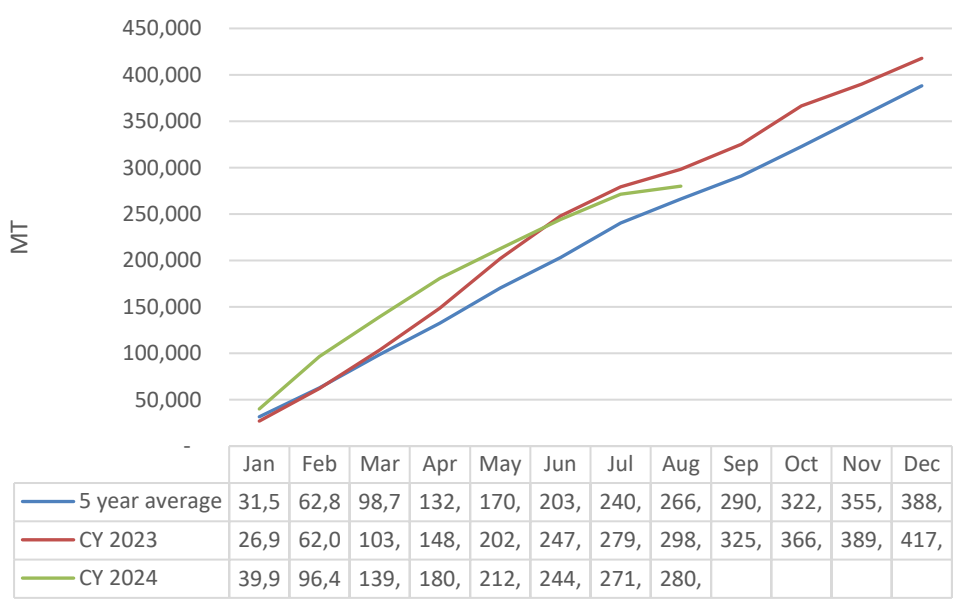
Trade

Trade Trends Point to Stable Imports

Algeria is one of the leading global importers of dairy powder. Dairy products remain second at the top of the list of Algeria's food imports behind cereals. Ministry of Agriculture reports that imports of milk powder cost about \$800 million annually.

In CY 2024, Post forecasts that Algeria will most likely import the same amount of milk powder as in CY 2023 given the overall world dairy market trend. Post estimate and forecast are based on the trade trends in 2023 as well as first three quarters of 2024, as well as international dairy powder price environment. Overall, international prices remain high. After a year marked by inflation in 2022, 2023 was a year of relative rebalancing of global dairy product prices; however, prices remained high on average, and global market dynamics remained broadly the same as last year. Typically, Algerian buyers are price-motivated and tend to increase purchases when prices are low and decrease purchase when price are up.

Chart 1: Algeria Cumulative Monthly Milk Powder Imports



Source: Data Aggregated from Trade Data Monitor, LLC, Chart FAS Algiers

Trade statistics from the Trade Data Monitor (TDM) show that in Calendar year (CY) 2023, Algeria imported almost 418,000 metric tons (MT) of total dry milk powder, which includes both whole milk powder (WMP) and nonfat dry milk (NFDM), almost same as in 2022.

Table 2: Algeria Total Milk Powder imports in MT and Calendar Year (CY)

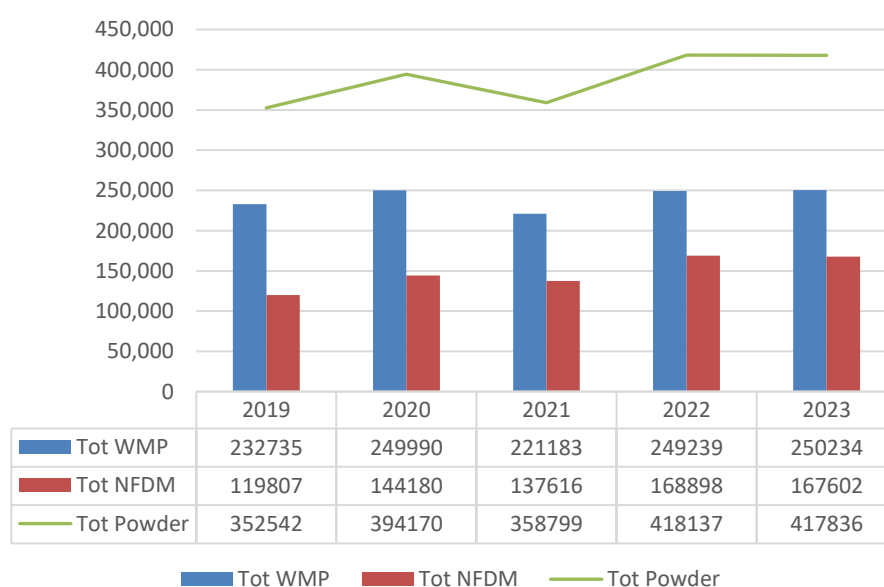
	Calendar Year (UOM1: T)				
	2019	2020	2021	2022	2023
Tot WMP	232,735	249,990	221,183	249,239	250,234
Tot NFDM	119,807	144,180	137,616	168,898	167,602
Total Powder	352,542	394,170	358,799	418,137	417,836

Source: Data Aggregated from Trade Data Monitor, LLC

Algeria's milk powder imports totaled between 350,000 MT and 418,000 MT annually in the last five years, with the average volume approaching 388,000 MT. The health crisis due to COVID-19 pandemic obliged Algeria to import more milk powder in CY2020 in order to have sufficient stocks to ensure no shortage or disruption happens and to maintain supply chain operational during the health crisis. In CY2021, Algeria imported less milk powder compared to 2020, which is in line with Algeria's strategy to reduce imports. Starting in CY 2022, dairy powder imports shot up 16 percent, with NFDM increasing by over 23 percent, while WMP rose close to 13 percent. The increase in imports was likely a result of combination of factors: increased domestic demand owing to population growth, shortfall of domestic fluid milk supply, and normalization of global shipping dynamics in the aftermath of the COVID 19 pandemic.

Chart 2: Milk Powder Exports to Algeria Comparison

(in MT)



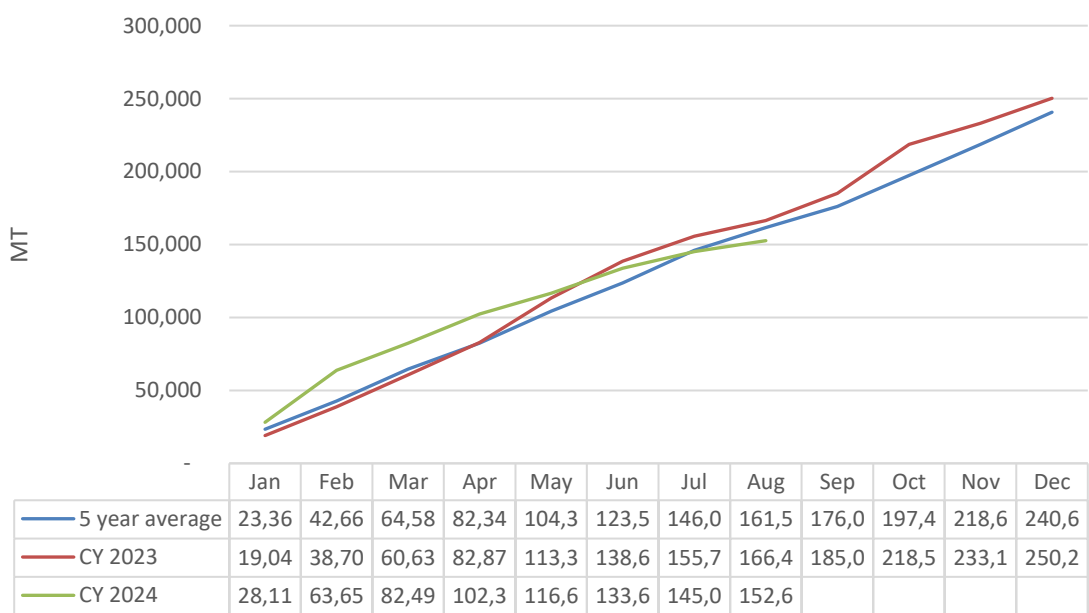
Source: Data Aggregated from Trade Data Monitor, LLC, Chart FAS Algiers

Whole Milk Powder

Generally, Algeria’s whole milk powder imports represent about 60 percent of the total milk powder imports. Whole milk powder is mainly imported by private sector importers and processors. Private processors import whole milk powder to produce market-priced tetra pack reconstituted milk, as well as various dairy products such as yogurt and cheese spreads.

Post’s 2024 forecast incorporates the current import trend. According to the figures sourced by TDM, in the first eight months of CY 2024, imports of total whole milk powder reached 152,600 MT, (-8.29 percent) lower compared to same period in CY 2023. The trailing monthly import trend for the first eight months of CY 2024, show that imports were above the five-year average levels in the first six months, surpassing the average total imports reached by June by 8 percent, then, just dipped below the five-year average and 2023 levels in the month of July and August. Overall, Post anticipates that imports of WMP will pick up in the last quarter of the year to end CY 2024 at roughly the same volume as the prior year.

Chart 3: Algeria's Trailing Monthly Imports of WMP



Source: Data Aggregated from Trade Data Monitor, LLC, Chart FAS Algiers

Notably Algeria’s WMP imports dipped in 2021, likely due to global trade disruption wrought by the COVID 19 pandemic. However, in 2020, 2022 and 2023 WMP imports have held steady at around 250,000 MT. Post forecast takes into account the fluctuating global prices, showing that Algeria’s private sector importers remain flexible to pricing to an extent. Prices for whole milk powder have been on upward trend. On September 2023, WMP price end up at 3686 Euro per MT while in January 2021, the price started at 2797 Euro per MT. The maximum reached was 4566 Euro per MT in March 2023.

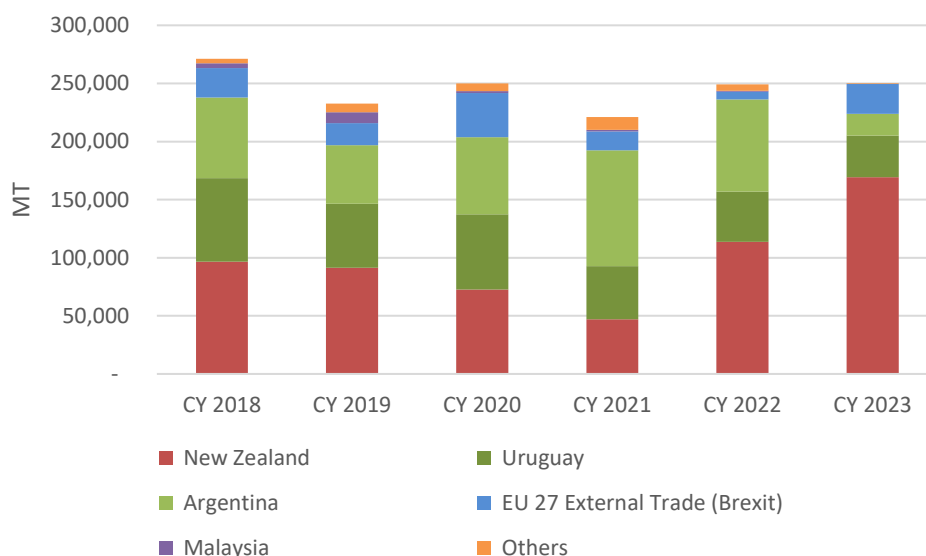
Table 3: Whole Milk Powder Exports to Algeria Comparison in CY & MT

Reporter	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
New Zealand	96,593	91,420	72,578	47,146	113,693	169,359
Uruguay	72,015	54,925	64,711	45,501	43,324	35,892
Argentina	69,213	50,473	66,447	99,664	79,112	18,698
EU 27 External Trade	25,294	18,929	38,063	16,472	6,809	25,835
Malaysia	4,207	9,409	1,650	1,389	790	-
Others	3,821	7,581	6,544	11,016	5,512	450
TOTAL	271,143	232,737	249,993	221,188	249,240	250,234

Source: Data Aggregated from Trade Data Monitor, LLC

Whole milk powder is mainly imported from New Zealand, Uruguay, Argentina and the EU. In CY2023, New Zealand alone controlled 68 percent of the whole milk powder imports, picking up after a decrease registered in CY 2021/ Argentina with Uruguay, part of the Mercosur block, accounted for 22 percent of Algeria's whole milk powder imports in 2023; notably, with Argentina's exports shrinking compared to the last five years. The South American block has actually seen its share of the Algerian market erode. Meanwhile, the EU origin imports are picking up reaching, in 2023, the same level as in 2018 after a significant decrease in CY 2022. In CY2022, the United States whole milk powder's market share in Algeria decreased by 46 percent compared to CY 2021.

Chart 4: Algeria Total Whole milk Powder Exports by Origin in CY & MT



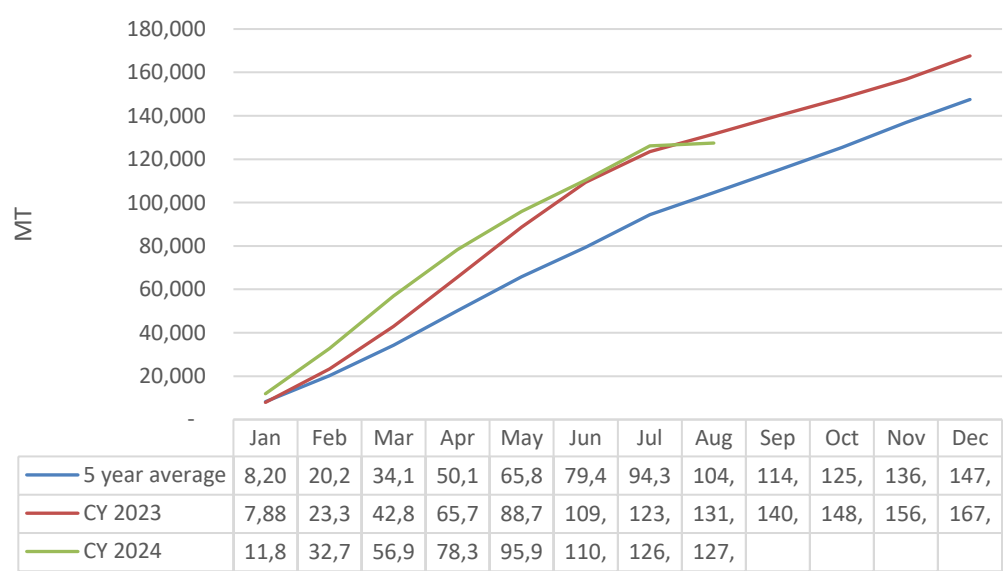
Source: Data Aggregated from Trade Data Monitor, LLC, Chart FAS Algiers

Post believes that while the overall volume of WMP has stayed relatively steady, the shift in origin of supply is likely driven by prices and exchange rates. In addition, supplier-importer relationships are very important on the Algerian market.

Nonfat Dry Milk Powder

Post’s 2024 forecast for non-fat dairy powder (NFDM) imports incorporates the current trade trend. According to the figures sourced by TDM, in the first eight months of CY 2024, imports of total NFDM powder reached 127,439 MT, about three percent lower compared to same period in CY 2023. However, the cumulative monthly import trend for the first eight months of CY 2024 is well above the five-year average level, surpassing the average total imports reached by over 20 percent.

Chart 5: Algeria’s Trailing Average Monthly Imports of NFDM



Source: Data Aggregated from Trade Data Monitor, LLC, Chart FAS Algiers

Algeria’s state-run milk buying agency, ONIL is a key buyer of the NFDM powder. In 2022, Algeria’s imports of NFDM rose almost 23 percent year-on-year. Post believes that this increase was driven by lower global prices in beginning of 2022. As mentioned above, the end of 2022 was marked by inflation, and 2023 was a year of relative rebalancing of global dairy product prices but prices remained high on average, and global market dynamics remained broadly the same as 2022. In CY 2023, Algeria imported almost the same amount as in CY 2022. Post anticipates that this trend will continue in CY 2024.

Table 4: Algeria imports of Non-Fat Dry Milk Powder in CY & MT

Reporter	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
EU 27 (Brexit)	94,364	118,551	89,049	112,343	143,289
New Zealand	-	1,704	-	12,056	12,839
Canada	9,464	7,497	4,766	6,707	7,030
United Kingdom HMRC	5,930	3,818	5,331	3,250	3,527
United States	-	4,564	12,213	901	918
Turkey	3,125	3,100	18,666	18,191	-
Uruguay	6,500	4,529	6,018	10,178	-
Others	425	415	1,118	5,272	-
TOTAL NFDM	119,808	144,178	137,161	168,898	167,603

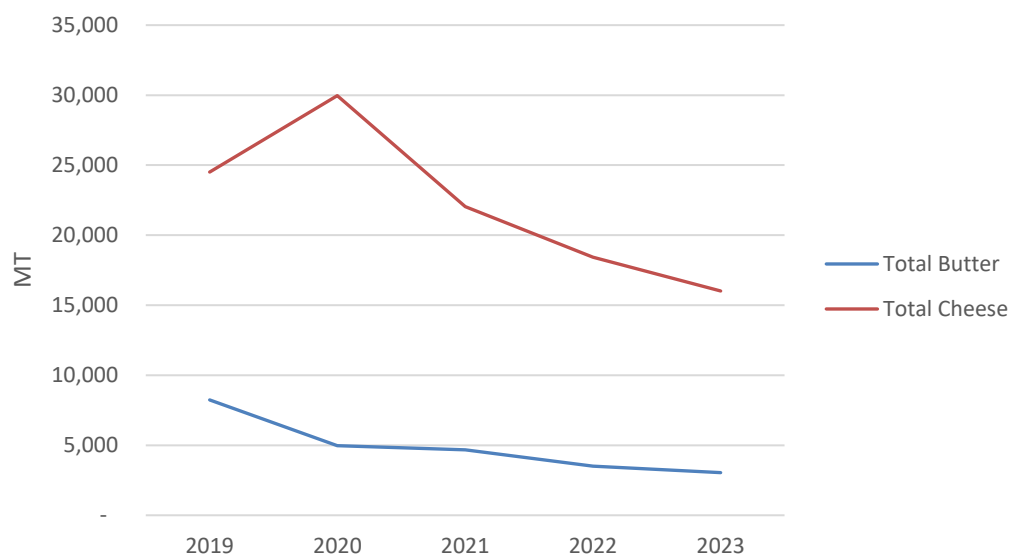
Source: Data Aggregated from Trade Data Monitor, LLC

The EU has dominated NFDM imports to Algeria for the last five years, supplying more than 85 percent of the market. The United States have seen their exports of NFDM to Algeria decline substantially over CY 2023 as compared to CY 2021 but moved up as fifth supplier in CY 2023. Notably in CY 2023, the supplier mix for NFDM into Algeria shrank substantially, with imports from the Southern Hemisphere and Turkey, as well as from other smaller suppliers being absent. Meanwhile, imports of NFDM from New Zealand are picking up, with the country emerging as the second leading supplier to Algeria as of 2022. Post believes that the changing trade dynamics are due to prices.

Butter and Cheese Imports Will Remain Lackluster

Algeria's imports of both butter and cheese are on a downward trend the past five years due mainly to the measures implemented to control imports of food products as well as international prices that are on upward trend. Butter and cheese remain subject to the temporary additional safeguard duty (Droit Additionnel Provisoire de Sauvegarde, (DAPs) that was implemented in January 2019. As a result, imports of these products became price prohibitive and shrank dramatically. Even though DAPs rates are the same (70 percent) for both butter and cheeses, Algeria imports more cheese than butter. Algerian population consumption of cheese has increased over the time with the expansion of the dairy processing industry. Most of the cheese consumed is spread cheese and camembert cheese.

Chart 6: Algeria Total Butter & Cheese Imports Comparison



Source: Data Aggregated from Trade Data Monitor, LLC, Chart FAS Algiers

Post forecast and estimate for butter and cheese imports takes into account the current DAPS policy outlined in previous reports. Post believes that imports of butter will continue to decrease in CY 2024, based on the current import trend for the first three quarters of 2024.

Table 5: Total Butter Exports to Algeria

partner	2019	2020	2021	2022	2023	Q1-Q3 '23	Q1-Q3 '24	% Δ
New Zealand	5,708	2,441	3,343	1,964	1,803	1,803	2,039	13%
EU 27 (Brexit)	2,455	1,904	542	308	783	737	303	-59%
Argentina	-	-	-	958	250	250	-	-100%
Uruguay	75	420	350	260	180	155	94	-39%
Turkey	-	2	9	9	30	25	4	-84%
Australia	-	197	353	-	-	-	-	
Ukraine	50	-	-	-	-	-	-	
U.K.	-	-	75	-	-	-	-	
Total	8,288	4,964	4,672	3,499	3,046	2,970	2,440	-18%

Source: Data Aggregated from Trade Data Monitor, LLC

New Zealand remains the clear butter export leader to Algeria. In 2024, New Zealand butter exports are the only ones to increase, rising by 13 percent. Meanwhile, the EU butter exports plummeted almost 60 percent, while Argentina's exports were completely zeroed out. Overall, New Zealand is currently the only exporter present on the Algerian market with significant volumes. Notably, even for New Zealand, the Algerian butter market shrank considerably from five years ago, when it was shipping more than

three times the volumes supplied in 2023. Post believes that the initial drop off in exports was caused in 2019 with the introduction of the DAPs policy. In subsequent years, the COVID 19 pandemic seriously disrupted freight, shipping, and price dynamics, while the Algerian government continued to focus on restricting imports in an attempt to maintain control over foreign exchange reserves and spur domestic production. Post believes that despite normalization of global trade dynamics, Algeria's butter imports will continue to diminish due to government controls.

Similar to butter, Algeria imports of cheese have been on the overall downward trend the last five years, due mainly to the measures implemented to control imports of food products as well as international prices that increased. Notably, in the first three quarters of the 2024, imports of cheese are up 20 percent as compared to the same period last year. The most significant increase in volume terms was furnished by New Zealand, which did not export any cheese to Algeria in 2023 (though had been present on the market in previous years). In 2024, imports of cheese from the United Kingdom also rose substantially. The United States cheese exports to Algeria continued to build on 2023, which was the first time in five years that the country supplied cheese to Algeria. So far in 2024, U.S. exports of cheese to Algeria are almost double the volume supplied last year.

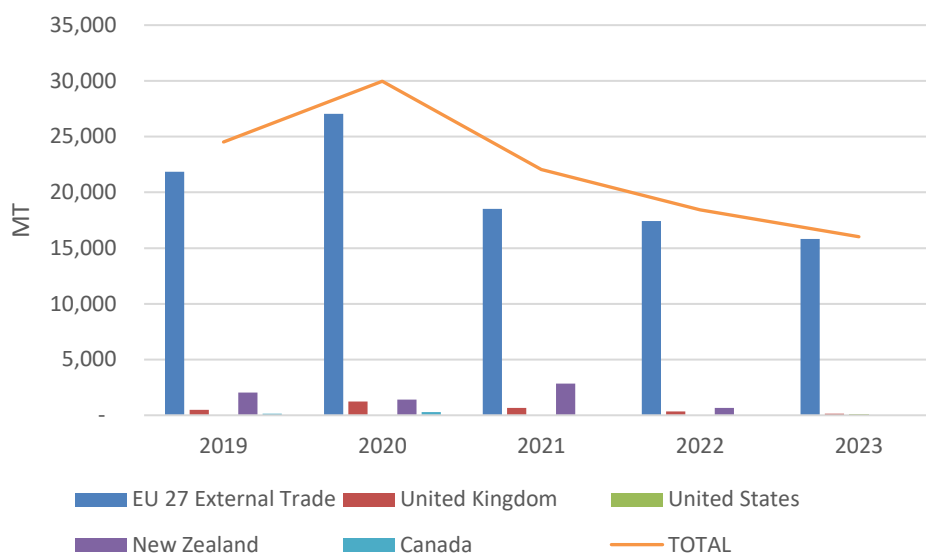
Table 6: Total Cheese Exports to Algeria

partner	2019	2020	2021	2022	2023	Q1-Q3 '23	Q1-Q3 '24	% Δ
EU 27 (Brexit)	21,836	27,044	18,527	17,438	15,819	13,388	14,168	6%
U.K.	487	1,242	658	333	144	45	835	1756%
U.S.A.	-	-	-	-	53	53	105	98%
Turkey	-	2	4	4	13	11	1	-91%
South Korea	-	-	-	-	-	-	1	
New Zealand	2,036	1,408	2,852	652	-	-	1,073	
Canada	149	273	-	-	-	-	-	
Total	24,508	29,969	22,041	18,427	16,029	13,497	16,183	20%

Source: Data Aggregated from Trade Data Monitor, LLC

Despite the gains posted by New Zealand and several other countries supplying cheese to Algeria, the EU remains the dominant power in this market segment. During CY 2023, almost 98 percent of Algeria 'cheese imports were sourced from the EU. Post believes that this market segmentation will likely continue in the immediate future. However, with processed and ready to eat food segment slowly growing, cheese suppliers furnishing product for further processing may increase their market share. Despite the upward trend registered in Algeria's cheese imports this year, Post believes that imports of cheese will continue to be constrained by the pressure of DAPS and higher prices in the EU.

Chart 7: Algeria Total Cheese Exports Comparison



Source: Data Aggregated from Trade Data Monitor, LLC, Chart FAS Algiers

Stocks

The Government of Algeria always ensures maintaining milk powder stocks to avoid disruption or shortages in the supply chain, during critical situations such as high global prices, or trade disruptions. Post believes that the government buyer Agency, ONIL builds up stocks during environment of lower global prices. At the same time, as the government is focused on building up domestic dairy production, it is unlikely that powder milk stocks will grow to substantial proportions.

Policy

Milk powder remains not included in the temporary additional safeguard duty (Droit Additionnel Provisoire de Sauvegarde, (DAPs) that was implemented in January 2019 and revised in April 2019. The duty remains the same and current. Furthermore, wheat, barley, corn, soybeans and soybean meal as well as distiller's dried grains with soluble (DDGs), starch residues and preparations for animal feed remain unaffected by the temporary additional safeguard duty.

Milk and milk cream (04.01), buttermilk, yogurt, kefir (04.03), butter (04.05.10.11.00) and other fats, cheeses (04.06) and curds are included on the list of April 21, 2019. A temporary additional duty of 70 percent is applied on these products to be added to custom duties (30 percent) and VAT (19 percent), except for milk and milk cream that are exempted from VAT. The original full revised list in French with the current DAPs rate can be found at: <https://www.joradp.dz/FTP/jo-francais/2019/F2019026.pdf>.

Table 7: Dairy, Dry Whole Milk Powder

Dairy, Dry Whole Milk Powder	2022		2023		2024	
Market Year Begins	Jan 2022		Jan 2023		Jan 2024	
Algeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	42	42	31	31	25	25
Production (1000 MT)	0	0	0	0	0	0
Other Imports (1000 MT)	249	249	250	250	275	250
Total Imports (1000 MT)	249	249	250	250	275	250
Total Supply (1000 MT)	291	291	281	281	300	275
Other Exports (1000 MT)	0	0	0	0	0	0
Total Exports (1000 MT)	0	0	0	0	0	0
Human Dom. Consumption (1000 MT)	260	260	256	256	265	260
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	260	260	256	256	265	260
Total Use (1000 MT)	260	260	256	256	265	260
Ending Stocks (1000 MT)	31	31	25	25	35	15
Total Distribution (1000 MT)	291	291	281	281	300	275
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Table 8: Dairy, Non-Fat Milk Powder

Dairy, Milk, Nonfat Dry	2022		2023		2024	
Market Year Begins	Jan 2022		Jan 2023		Jan 2024	
Algeria	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	31	31	26	30	21	25
Production (1000 MT)	0	0	0	0	0	0
Other Imports (1000 MT)	169	169	168	168	185	170
Total Imports (1000 MT)	169	169	168	168	185	170
Total Supply (1000 MT)	200	200	194	198	206	195
Other Exports (1000 MT)	0	0	0	0	0	0
Total Exports (1000 MT)	0	0	0	0	0	0
Human Dom. Consumption (1000 MT)	174	170	173	173	176	176
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	174	170	173	173	176	176
Total Use (1000 MT)	174	170	173	173	176	176
Ending Stocks (1000 MT)	26	30	21	25	30	19
Total Distribution (1000 MT)	200	200	194	198	206	195
(1000 MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments