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SUBJECT - Some current problems of the Tunisian Forage-Livestock Sector

REFERENCE -

I. INTRODUCTION

Weather conditions in Tunisia during the past two years have created a situation that is affecting the production of beef and milk. Most of the hay and silage is produced during the winter season (November-April) and the lack of rain has caused a very reduced crop during the winter of '76-'77 and a reduced crop during the '77-'78 winter. The forage produced under irrigation, mostly alfalfa, berseem, and sudan-grass which consists of about 5% of total forage but increasing annually, is harvested green and fed directly to livestock thereby not affecting stored hay and silage supplies. The winter forage (mostly oat-vetch) is the primary source of hay and silage.

The livestock sector, like most other sectors, operates with some government price controls. The price of beef is set at the retail level, the Government milk processing plants set the price they pay for raw milk and the price of concentrate to the farmer is set by Government decree (also subsidized). However some of the livestock sector's prices are not controlled including the price of hay, price of live beef, and the price of milk paid by private milk dealers. Today hay is selling for 2 to 4 times of what it did 18 months ago. Local cows are selling for less than half what they did in early 1977. Private milk dealers in the south are paying about 50% more for milk than the Government milk plants. The price of fattened bulls has remained stable.

This is an overview of some of the recent changes in production of forage and livestock and the resulting price shifts. A more detailed description of the sector follows.

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II. A Review of Production Patterns, Prices and Government Action.

A. Range and pasture conditions were very poor from late 1976 to March of 1978 when considerable rain fell. The poor range conditions are always more severe in the lower rainfall areas (central and southern Tunisia). These conditions resulted in more flock of sheep than usual being driven north to graze on rented pasture, stubble fields, and fallow land and also increased the demand for hay. Winter barley pasture in Northern Tunisia also suffered from lack of rain and provided a reduced amount of forage.

B. Hay production during the winter of '76-'77 was extremely poor and was estimated to be about 50% under of a normal year. It is estimated that between 375,000 and 400,000 tons of hay were produced during the winter of '77-'78 which was 75% of normal production. However because of the high price of straw this year (about 30 millimes per kilo) most of the wheat stubble fields have been raked and baled this year and has increased the available supply of stored forage.

C. Green forage (called green chop in Tunisia) production was not materially affected by the drought as most of it is produced under irrigation. However dryland alfalfa has suffered from the drought.

D. Milk and beef production has remained fairly stable during the past two years. Since farmers are reducing their herds more local cattle have been on the market for slaughter. The supply of fattened bulls has remained fairly stable.

E. Prices have risen sharply for hay and dropped considerably for local cows during the past 18 months. In early 1977 hay was selling for about 30 millimes per kilo (about 7 U.S. cents-100 millimes - 24 U.S. cents). Presently hay is selling for about 50-55 millimes in the north and more than 70 millimes in the south. During the height of the drought last summer, hay sold for more than 100 millimes per kilo. Local cows (about 300-350 kilo) were selling for 150-200 Dinars (363 to 484 U.S. Dollars-1 dinar = \$2.42) and are now selling for 60-70 Dinars each. Prices of fattened animals have not been affected. The prices of purebred cattle have dropped less than the local cattle but are down by 30% to 40% on the market.

F. The Government has taken a number of actions in response to the present situation.

In mid-1977 hay was exported from Tunisia. This untimely action had the effect of precipitating a major increase in forage prices, although, it was the drought which was the major cause of the hay shortage. However the decision to export hay was widely criticized, and probably given more importance toward creating the hay shortage than is justified. In early 1978 the Government imported hay and alfalfa pellets and sold them at a subsidized price of 40 millimes per kilo.

Government feed mills have continued to manufacture and sell concentrate at a subsidized price of about 40 millimes per kilo. However demand often exceeded the supply and farmers were forced to purchase expensive forage to keep their animals alive. The capacity of feed mills in the country is in the process of being expanded.

The Office of Livestock and Pastures (O&P) has taken several actions as follows:

1. Expanded the "Forage Stock Project" that was designed to encourage increased forage production by farmers in Central Tunisia and then purchased surplus production to establish a reserve stock. The project has been successful in encouraging more production but little hay was stock-piled as farmers generally broke their contracts because they could get a higher price elsewhere. The goal for the fall of 1978 is to plant an additional 1,000 hectares of oat-vetch hay in Central Tunisia.

2. The AID-assisted Livestock Feed Production and Utilization Project No. 664-0293 encouraged increased production of irrigated forage plantings in early 1978 by making more seed available and increasing extension efforts with farmers. This effort was generally successful and will be expanded in the fall of 1978 and spring of 1979.

3. The FAO-assisted Project is also encouraging the production of oat-vetch silage for the fattening of bulls for slaughter.

III. Farmers' Responses to the Changing Situation.

A. Farmers are reducing their herd of local cows as is evident by the lower prices being received. O&P Regional Chiefs report numbers being sold vary, but it is estimated that as many as 25% of the herd has been sold for slaughter in some regions. Purebred dairy cows have not been sold in any large numbers; however, farmers have stepped up the culling of low producers.

B. Some farmers are opting to sell hay rather than provide it as feed to their livestock. Oat-vetch hay yielding 2.6 tons per hectare and selling for 55 millimes per kilo will return about 84 Dinars per hectare. Small farmers who are constantly short of cash may sell their hay and later reduce their cattle numbers.

Since the price of milk is about 120-125 millimes per liter in the south and about 85-90 millimes in the north of Tunisia, it has been observed that the farmers in the south are purchasing hay from Northern farmers. It is expected that farmers can make a profit by feeding of 70 millimes hay if their milk price is 125 millimes. They often cheapen the ration by feeding more concentrate.

than normal to dairy cows and reducing the hay in the ration.

C. Many farmers are responding to ⁽⁶⁶⁴⁻⁰²⁹³⁾ "Projet Integre" efforts to increase irrigated forage plantings. Farmers who follow good practices with their irrigated forage plantings can expect to produce forage at a reasonable cost and can expect to profit from feeding it to dairy cows.

D. Farmers who are not able to irrigate their land and produce legumes may decide to feed straw (about 1/2 the price of hay) and also feed more concentrate (at the subsidized price). This action is rational and financially sound to the individual farmer. However it may not make the best use of Tunisia's resources and scarce foreign exchange (as most of the ingredients of concentrates are imported).

IV. Prospects for the Forage-Livestock Sector

Tunisian Agricultural observers are concerned that the price of hay will probably continue to increase during the next few months. They note that the following factors will be important during the next six months:

1. Continued shortage of hay and silage considering the demand for forage for the livestock on hand.

2. Considerable quantities of hay are being held by speculators who are waiting for higher prices.

3. Prices are expected to continue to rise until the winter rains start and pasture becomes available; however early fall rains could slow the rise of hay prices.

4. If fall rain does not come in a timely manner, then a very serious shortage of forage will probably be the result.

Farmers are expected to continue the practice of making limited forage available to dairy cows thus reducing any prospects for increased total milk production this year.

⁽⁶⁶⁴⁻⁰²⁹³⁾
"Projet Integre" of OEP is making increased efforts to expand plantings of alfalfa, bersiem, and oat-vetch hay during the next crop season (Fall 1978) and are expected to meet with success as farmers are facing very favorable prices for forage.

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