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Morocco

Grain and Feed Update

2010

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Report Highlights:

Morocco's grain production in 2009/10 is estimated at 7.46 million MT, about 27 percent lower than the record harvest in 2008/09. The decline in production was mostly due to lower crop yields, rather than decline in area planted. Total grain area is estimated at 4.774 million HA, of which 0.901 million HA is durum wheat, 1.951 million HA soft wheat, and 1.922 million HA barley. Morocco's total wheat production in 2009/10 declined 24 percent to about 4.89 million MT, of which 3.25 million MT is soft wheat and 1.64 million MT durum wheat.

Barley production is estimated at 2.57 million MT, a decline of 32 percent. Moroccan wheat imports in MY 2009/2010 totaled 2.325 million MT, a decline of 35 percent from the previous year. France continued to capture the largest market share in MY 2009, with 70 percent of Morocco's soft wheat imports, while the U.S. controlled a 20 percent share of the market.

PRODUCTION:

The Moroccan Ministry of Agriculture published its final estimate for total grain production in 2009/10 at 7.46 million MT, about 27 percent lower than the highest record harvest in 2008/09. The decline in this year's production was more due to lower crop yields, rather than the decline in area planted which decreased by 7 percent. The total grain planted area in 2009/2010 is estimated at 4.774 million HA, of which 0.901 million HA is durum wheat, 1.951 million HA common (soft) wheat, and 1.922 million HA barley.

Morocco's total wheat production in 2009/10 declined by 24 percent to about 4.89 million MT, of which 3.25 million MT common wheat and 1.64 million MT durum wheat. Barley production was estimated at 2.57 million MT, a decline of about 32 percent from the previous year.

The table below shows the breakdown of grain area planted and production in 2009/2010 compared to the previous years:

Table1: Morocco's Grain Production and Area Planted 2009-2010

Year of Harvest	2009	2010	Change %
Area Planted (1,000 Hectares)			
Durum Wheat	969	901	-7%
Soft Wheat	2,009	1,951	-3%
Tot. Wheat	2,978	2,852	-4%
Barley	2,183	1,922	-12%
Total Planted	5,161	4,774	-7%
Production (1,000 MT)			
Durum Wheat	2,100	1,640	-22%
Soft Wheat	4,300	3,247	-24%
Total. Wheat	6,400	4,887	-24%
Barley	3,800	2,570	-32%
Total Production	10,200	7,457	-27%

Source: Ministry of Agriculture Data.

POLICY:

Under the "Green Morocco Plan" strategy, the Moroccan government is aiming at reducing grain area while increasing productivity and yield per hectare in its efforts to increase grain production in Morocco in the medium and long terms. The stated goal is to reduce total grain planted area to 4.2 million HA, while reaching an annual production level of 7 million MT by 2020. Achieving this goal will require increasing productivity and the average yield from the current level of 1.6 MT/HA to about 2.5 MT/HA.

The GOM is currently providing various types of producer subsidies to grain farmers that include measures to support the use of certified seed varieties, cost of soil testing for optimal fertilizer use and the purchase of farm and irrigation equipment. The certified seed subsidies are currently set at 170 dirham/Qt for durum wheat, 160 dirham/QT for soft wheat, and 150 dirham /Qt for barley. Depending on average seed requirement for these crops, the certified seed subsidies will amount to about \$30-35 per hectare, or 40-60 percent of the seed costs.

Farm equipment subsidies range from 30 to 70 percent of purchasing cost, with a predetermined maximum per farm unit for each type of equipment. The GOM also provide a similar subsidy scheme for the certified seed and equipment to small farm holdings to aggregate them into larger farming projects in order to increase farm efficiency.

TRADE:

Morocco’s wheat imports tend to fluctuate from year to year reflecting the swings in local production. The Moroccan market remains price oriented, where importers must compete with the cheaper origins. For the MY 2009/2010, Moroccan wheat imports totaled 2.325 million MT, a decline of 35 percent from the 3.603 million MT imported in MY 2008/2009. France continued to capture the largest share in MY 2009, with 70 percent of the Moroccan common wheat import market, followed by the U.S. with a 20 percent share of the market. Most of U.S. soft wheat shipments to Morocco in MY 2009/10, about 303,000 MT, were exported under the tariff rate quotas (TRQs) of the U.S.-Morocco Free Trade Agreement.

Table2: Morocco Wheat Import by Origin for MY 2009/2010

Wheat Imports/Origin	MY 2009/2010(MT)	Market share/Category
Soft Wheat Imports	1,772,171	100%
France	1,247,914	70%
USA	354,793	20%
UK	49,760	3%
Germany	41,487	2%
Lithuania	22,000	1%
Latvia	21,997	1%
Finland	17,287	1%
Sweden	16,933	1%
Durum Wheat Imports	552,754	100%
Canada	479,388	87%
USA	73,366	13%
Total Wheat	2,324,925	

Source: Official Moroccan Trade Date

Morocco’s Corn and barley imports in MY 2009/2010 were 1.716 million MT and 0.364 million MT, respectively.