

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Morocco

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Has Morocco exceeded its needs of wheat imports?

Report Categories:

Grain and Feed

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Report Highlights:

Morocco's imports of soft wheat in March 2011 reached one million MT, the highest one month imports in many years. FAS estimate for Morocco's wheat imports in MY 2010/11 has been revised upward, from 3.3 million MT to 3.9 million MT. Analysts believe that Morocco may have exceeded its wheat import needs and now could have wheat stocks available to cover more than four months of its strategic wheat requirements.

With limited storage capacity and expectation of a large wheat crop this year, further Moroccan wheat imports may not take place before November or December 2011.

Morocco's imports of soft (bread) wheat in March 2011 exceeded one million MT. This is the highest monthly wheat imports in many years. The sharp rise in Morocco's wheat imports in marketing year (MY) 2010/11 was due to several factors including skyrocketing wheat prices in the world markets and panic concerning the availability of wheat supplies, as well as an import restitution (subsidy) program that the government established to help wheat importers.

The Moroccan government took several measures to alleviate the impact of rising wheat prices and ensure sufficient wheat supplies in the local market. These included the suspension of 135 percent customs duties on soft wheat imports until the end of April 2011. In addition, through an import restitution scheme, the government reimbursed wheat importers for the difference between a government-set price and the prices in the international market. Through the first stage of implementing the restitution scheme (mid-September-December 2010) the government limited the eligible wheat imports quantities to a maximum of 1.2 million MT. The restitution program was then extended for a second period, from January to April 2011, but this time without setting a maximum limit for the eligible import quantities. As a result, Moroccan importers rushed to import wheat shipments in February and March at unprecedented levels. In March alone, soft wheat import shipments were estimated to be 1.09 million MT, mostly from France and about 102,000 MT from the U.S. According to our trade contacts, several wheat shipments were still waiting to be unloaded at the Moroccan ports by the end of March. FAS/Rabat's estimate for Morocco's total wheat imports in MY 2010/11 has been revised upward, from 3.3 million MT to 3.9 million MT. Morocco's production, supply and demand (PS&D) table for wheat has been updated to reflect this revision.

Analysts believe that Morocco may have exceeded its wheat import needs and could now have strategic wheat stocks available to cover more than four months of its consumption requirements. In general, Morocco's stock policy is to maintain 2-3 months of wheat consumption available as strategic wheat stocks. With limited storage capacity and expectation of a big harvest for the 2011 wheat crop, many believe that further Moroccan wheat imports may not happen before November or December 2011. This could mean that future U.S. wheat exports with preferential access under the FTA's tariff rate quotas (TRQs) for 2011 of 346,667 MT would only have one or two months to be utilized.

Production, Supply and Demand Data Statistics:

Wheat, Morocco (Areas in 1,000 HA and Quantities in 1,000 MT)

Wheat Morocco	2009/2010			2010/2011			2011/2012		
	Market Year Begin: Jul 2009			Market Year Begin: Jul 2010			Market Year Begin: Jul 2011		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Harvested (1000ha)	2,978	2,978	2,978	2,800	2,852	2,852		3,040	3,040
Beginning Stocks	1,060	1,060	1,060	1,623	1,573	1,573		1,470	2,070
Production	6,370	6,400	6,400	4,900	4,887	4,887		5,900	5,900
MY Imports	2,304	2,312	2,312	3,600	3,300	3,900		2,500	2,100
TY Imports	2,304	2,312	2,312	3,600	3,300	3,900		2,500	2,100
TY Imp. from U.S.	431	355	355	0	400	490		350	350
Total Supply	9,734	9,772	9,772	10,123	9,760	10,360		9,870	10,070
MY Exports	111	100	100	100	90	90		90	90
TY Exports	111	100	100	100	90	90		90	90
Feed and Residual	300	100	100	300	100	100		100	150
FSI Consumption	7,700	7,999	7,999	8,000	8,100	8,100		8,100	8,100
Total Consumption	8,000	8,099	8,099	8,300	8,200	8,200		8,200	8,250
Ending Stocks	1,623	1,573	1,573	1,723	1,470	2,070		1,580	1,730
Total Distribution	9,734	9,772	9,772	10,123	9,760	10,360		9,870	10,070
Yield (MT/HA)	2.	2.	2.1491	2.	2.	1.7135		2.	1.9408