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Grain and Feed Annual

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Report Highlights:

The MY 2013/2014 grain crop is progressing well under favorable conditions. Total grain area is estimated at 4.97 million HA with wheat area estimated at 3.28 million HA and barley area estimated at 1.69 million HA. The Government of Morocco (GOM) has not issued its official grain production forecast yet, however many analysts expect the crop to reach 8 to 9 million MT. Post estimates total cereal production to be around 7.9 million MT, including 5.9 million MT of common and durum wheat and 2 million MT of barley. Morocco's wheat imports for MY 2012/13 were revised down from 4 million MT to 3.3 million MT and are projected to total 2.7 million MT for MY 2013/14. Barley imports for MY 2012/13 were revised down from 300,000 MT to 250,000 MT and are forecast to total 250,000 MT for MY 2013/14. To alleviate the pressure of rising international wheat prices, the GOM suspended the import duties for common wheat and established an import subsidy scheme from October 1, 2012 to April 30, 2013. The GOM suspended the import duties for durum wheat throughout the whole of 2012.

Executive Summary:

The MY 2013/2014 grain crop is progressing well under favorable weather conditions with timely and adequate rainfall throughout most of the grain production regions. Total grain area is estimated at 4.97 million HA with wheat area estimated at 3.28 million HA and barley area estimated at 1.69 million HA. Overall, the grain crop is reported to be in good condition with some recent concern about wheat rust and septoria due to high humidity levels in some regions. Nonetheless, the Government of Morocco (GOM) has not issued its official grain production forecast yet, but many analysts expect the crop to reach 8 to 9 million MT. Post estimates that total cereal production will be around 7.9 million MT, including 5.9 million MT of common and durum wheat and 2 million MT of barley.

Morocco's per capita consumption of wheat, estimated at 258 kg annually, is among the highest in the world. In MY 2013/14, total Moroccan wheat consumption is estimated at 8.3 million MT with about 32.5 percent supplied by imports. Barley is consumed mostly as animal feed in Morocco with total consumption estimated at 3 million tons per year. With pasture conditions improving this year, livestock producers have reduced their demand for feed barley. As of February 2013, Morocco's barley reserve was estimated at about 80,000 MT. Feed barley prices trended downward in CY 2012 compared to CY 2011. Barley prices as of mid-January 2013 were estimated at 3450 dirham per MT (\$400), which is 7 percent lower than the previous year.

Post has revised down Morocco's wheat imports for MY 2012/2013 from 4.0 million MT to 3.3 million MT. Morocco's common wheat imports have been slower than expected due to a higher domestic wheat collection rate and higher wheat prices on the international market. Post estimates wheat import for MY 2013/2014 to 2.7 million MT.

In order to alleviate the pressure of rising international wheat prices and ensure sufficient wheat supplies in the local market, Morocco suspended the 17.5 percent import duty for common wheat from October 1, 2012 until December 31, 2012. Effective January 2013, Morocco extended the import duty suspension until April 30, 2013 and set durum wheat import duties at 2.5 percent until May 31, 2013. In addition, the government established an import restitution (subsidy) scheme effective from October 1, 2012 until April 30, 2013, through which Moroccan wheat importers are reimbursed for the difference between a government set-price (2600 dirham/MT) and their actual import costs

Production:

The MY 2013/2014 grain crop in Morocco is progressing under favorable conditions with timely and sufficient rainfalls throughout most of the grain production regions. Cumulative rainfall significantly improved compared to the previous season, registering 395 mm from September 1, 2012 to March 28, 2013, which is about 26 percent higher than average.

Morocco’s total planted area (common wheat, durum and barley) for MY 2013/14 is estimated at 4.97 million HA, only slightly less (-1.4 percent) than last year and with about one third of the crop (1.6 million HA) seeded early. Wheat planted area is estimated at 3.28 million HA, about 4.4 percent higher than last year, consisting of 2.24 million HA of common wheat and 1.04 million HA of durum wheat. Barely planted area is estimated at 1.69 million HA, a 10 decrease from last year.

For the MY 2013/2014 crop, the government reported 54 percent of the sown area to be in a good condition, 24 percent is in average condition, and 16 percent is in a bad condition. Most of the wheat in bad condition is located in southern and eastern Morocco and is concentrated in the following regions: Marrakech-Tensift-Al Haouz (418,000 HA); Doukkala Abda (200,000 HA); Souss-Massa-Draa (79,000 HA); Chaouia-Ouardigha (48,500 HA); Taza-Alhoceima-Taounate (22,000 HA); and Guelmim-Es Smara (6,000 HA). The remaining 6 percent of sown area is irrigated production (347,900 HA) which is in good condition

While the MY2013/14 crop is in good condition overall, there have been recent reports of wheat rust and septoria due to high moisture levels. The GOM has not released any assessment of the impact on production to date. However, the GOM has launched treatment programs in the regions of Berrechid, Chaouia-Ouardigha; Gharb-Chrarda-Beni Hssen; Rabat-Salé-Zemmour Zair; and Fès-Boulmane.

While it is still early to predict with certainty grain production for this season, it should be noted that the size of Morocco’s grain crop generally correlates with the area planted and the quantity and pace of precipitation from September to May. The table below shows planted area, precipitation, and production in Morocco for the last five years.

Table 1: Cumulative Rainfall and Grain Area Planted and Production

Year of Harvest	MY 08/09	MY 09/10	MY 10/11	MY 11/12	MY 12/13	5 Years Average
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Rainfall (mm)	268	545	570	525	221	327*
Area Planted (1,000 Hectares)						
Common Wheat	1,930	2,009	1,951	2,120	2,179	2,038
Durum Wheat	928	969	901	920	963	936
Tot. Wheat	2,858	2,978	2,852	3,040	3,142	2,974
Barley	2,181	2,183	1,922	1,888	1,893	2,013
Total Planted	5,039	5,161	4,774	4,928	5,035	4,987
Production (1,000 MT)						
Common Wheat	2,703	4,300	3,247	4,170	2,740	3,432
Durum Wheat	1,027	2,100	1,640	1,850	1,130	1,549
Total. Wheat	3,730	6,400	4,887	6,020	3,870	4,981
Barley	1,272	3,800	2,570	2,340	1,200	2,236
Total Production	5,002	10,200	7,457	8,360	5,070	7,217

Source: Ministry of Agriculture/* average precipitation 1988-2011

The Government of Morocco initially projected total grain production at 7 million MT for MY 2013/14 in its 2013 GDP growth estimate. However, most analysts now believe that total production will range between 8 and 9 million MT. For PS&D tables, Post estimates that total wheat (common and durum) production for MY 2013/2014 will be about 5.9 million MT while barley production will be about 2 million MT, and accordingly we project that total cereal production will be about 7.9 million MT.

Government support for cereal production

The Moroccan government has been encouraging farmers to use certified seeds by providing 40 to 60 percent of the cost. For the MY 2013/2014 crop, the government initially planned to increase the availability of certified seeds by 36 percent to 150,000 MT. Certified seeds provided under this program covered about 20 percent of the grain planted area. The government made 160,000 MT of certified seed available of which 130,000 MT were utilized, which was 18 percent higher compared to MY 2012/2013 crop. The certified seeds sales consisted of 70 percent common wheat, 29 percent durum wheat, and 1 percent barley. The government allocated initially a budget of 250 million DH (\$28 million) to support certified seed use for MY 2013/2014 cereal crop. Other measures to support grain production include subsidies for farm machinery purchases and irrigation equipment that range from 30 to 70 of the purchase cost and subsidization of soil testing to optimize fertilizer usage. Marketed fertilizer up until February 15, 2013 was estimated at 670,000 MT, which is 17.5 percent higher compared to the previous season.

In September 2011, the Government of Morocco implemented a crop insurance program to help grain and pulses farmers deal with the risks associated with the impact of weather conditions on production. The crop insurance program, which exceeded its initial target of 300,000 HA for MY 2012/2013 crop, is projected to cover 500,000 HA for MY 2013/14 crop, which represents about 10 percent of Morocco's total grain area. The program aims to mitigate financial losses due to droughts, floods, sand storms, and hail. The Moroccan Government will subsidize about 50 to 90 percent of the farmers' insurance

premium, depending on the size of the farm. The government intends to expand the area to one million HA by 2015

Consumption:

Wheat consumption per capita in Morocco is estimated at 258 kg annually, which is among the highest in the world. In the past decade, consumption has been driven by rising population coupled with diversification of bread products; this is especially the case in major cities where the higher income population tends to concentrate. Common (bread) wheat is a politically and socially sensitive commodity in Morocco. The government devised a mechanism by which bread wheat prices have been successfully maintained at low levels and the government treasury has supported the difference in the costs. The Moroccan Government continues to subsidize more than one million MT of common wheat flour commonly known as “national flour” presumably to make flour available to the low-income consumers. The distribution of the subsidized flour is subject to heavy government control at all levels. The government has set up all processing parameters including the extraction rate, extraction margin, ex-mill prices, wholesale and retail prices. The wheat (whether local or imported through the national cereal office’s tenders) enters flour mills at the same price (2,600 DH/MT) for the standard quality and the government supports the difference. The government, however, does not get involved in marketing and pricing of durum wheat in the local markets.

There are about 152 common industrial wheat processing mills in Morocco with a capacity of about 9.5 MMT and about 50 durum and barley industrial processing mills with a capacity of 1.42 MMT. In addition, there are literally thousands of traditional small family-run wheat processing mills located mostly in small towns and rural areas. The wheat mills capacity is generally underutilized which has opened an opportunity for the wheat millers to process wheat for exports, especially to African countries (see export section). U.S. wheat is viewed by many Moroccan millers as an “enhancer” of flour performances, and hence some quality oriented mills have been buying it.

Barley is consumed mostly as animal feed in Morocco, with total consumption roughly estimated at about 3 million tons per year. With largely sufficient rainfalls from September to March of this year, pasture conditions have improved which will likely reduce demand for feed barley this year. As of February 2013, Morocco’s barley reserve was estimated at about 80,000 MT. Feed barley prices in the local market in mid-January were estimated at 3450 dirham per MT (\$400), which is 7 percent lower than the same period the previous year. In 2013, barley prices registered a downtrend compared to 2012. As of March 2013, domestic barley prices were estimated at about 3340 dirhams per MT, compared to 2950 dirhams per MT for imported barley. The price difference between imported and domestic barley is expected to reduce barley imports this season.

Trade:

Wheat

Morocco has become one of the world’s major wheat importers in recent years. Morocco’s imports of common and durum wheat tend to fluctuate from year to year reflecting the swings in local production. Provided minimum specifications, Morocco remains a price oriented market and importers must compete with the cheaper origins

From July 1, 2012 to March 1, 2013, Morocco's wheat imports in MY 2012/2013 totaled 2.077 million MT, about equal to the same period in MY 2011/2012. Common wheat import totaled 1,614,300 MT, which was 1.77 percent lower compared to the same period in MY 2011/2013. Until March 2013, Morocco's durum wheat import for MY 2012/2013 totaled 462,400 MT, which was 10 percent higher compared to the same period in MY 2011/2012

In general, the EU wheat suppliers have a competitive edge over U.S. suppliers because of their proximity to the Moroccan market and their ability to export the small size shipments desired by the Moroccan buyers. In addition, the EU has larger wheat TRQs under the Morocco-EU free trade agreement. However, recently Black Sea suppliers have been gaining ground compared to EU competitors.

Up to March 2013, France's wheat exports declined by 32 percent from 1.036 million MT to 0.7 million MT for MY 2012/2013. This market share loss (from 63 percent to 43.6 percent) was mainly replaced by Ukraine, which accounted for 39.5 percent of Morocco's imports. Ukraine is expected to maintain a significant share of Morocco's common wheat import market in the future. Nonetheless, France remained Morocco's largest supplier while Russia maintained its 10 percent market share, and the United States remained absent in the market. Morocco's durum wheat imports were supplied solely by Canada.

Table 2: Morocco's Common and Durum Wheat Imports by Country of Origin (in MT)

Marketing Year	2009/2010	2010/2011	2011/2012	2012/2013 *
Wheat Import/Origin	MT	MT	MT	MT
Common wheat import	1,620,957	3,222,005	2,913,600	1,614,300
U.S.A	331,308	406,708	-	-
France	1,135,593	2,023,915	1,429,500	704,300
Argentina	-	298,300	576,300	11,900
Uruguay	-	-	538,800	26,400
Russia	-	-	153,100	163,500

Ukraine	-	-	91,100	638,300
U.K	41,710	44,906	24,900	-
Lithuania	22,000	6,760	17,400	25,900
Canada	-	-	12,600	14,000
Germany	34,887	134,386	-	-
Sweden	17,159	51,010	-	-
Latvia	21,997	-	-	-
Poland	-	38,298	-	-
Brazil	-	-	17,900	-
Durum wheat Import	547,306	753,327	649,700	462,400
U.S.A	72,967	-	-	-
Canada	474,339	577,333	365,100	462,400
France	-	123,622	187,400	-
Argentina	-	8,600	97,200	-
Australia	-	43,772	-	-
Greece	-	-	-	-
Total wheat Import	2,168,263	3,975,332	3,563,300	2,076,700

Source: Official Moroccan Trade Data/* Data from July 2012 until March 2013.

Post revised Morocco's wheat imports for MY 2012/2013 down from 4.0 million MT to 3.3 million MT. The lower imports were mainly due to Morocco's higher rate of domestic wheat collection and high international wheat prices, coupled with the government's slow reimbursement of the import price differential to wheat importers under the restitution scheme. Post projects Morocco's wheat imports for MY 2013/14 will total 2.7 million MT due to the expected larger crop.

Barley:

For MY 2013/14, Morocco imports are forecast to total 250,000 MT. This is mainly due to improved rainfall that increased pasture coverage and hence lowered demand for feed barley imports. It is important to note, Morocco's MY 2011/2012 barley imports soared by 330 percent to reach 611,200 MT. France dominated the market with a 38 percent market share, followed by Argentina (26 percent), Turkey (10 percent), Ukraine (9 percent), Russia (9 percent), and the U.S. (4 percent). The increase was mostly due to a higher demand for feed barley and the implementation of a government subsidy scheme to help the Moroccan livestock farmers cope with the drought and cold weather conditions that affected the MY 2011/2012 barley crop.

During the period July 1, 2012-March 1, 2013, Morocco imported 78,100 MT, a decline of 63 percent, compared to the same period in the previous year. France supplied about 90 percent of Morocco's barley imports for the mentioned period. Due to improved pasture conditions, Post revised Morocco's barley imports for MY 2012/2013 down from 300,000 MT to 250,000 MT. For MY 2013/2014, Post estimates barley imports will be around 250,000 MT.

Table 3: Morocco's Barley Import by Country of Origin (1,000 MT)

Marketing Year	2009/2010	2010/2011	2011/2012
France	87.6	117.6	231.6

Russia			55.6
Ukraine	79.6	5.2	57.1
Australia		0.0	5.5
Spain		7.2	1.9
United States		12.0	24.6
Turkey	27.3		63.9
Argentina			161.8
Finland			9.0
World	194.5	142.0	611.2

Source: Official Moroccan Trade Date/* MY : July/June.

Morocco's local barley production normally covers about 80 to 90 percent of its domestic demand with imports making up the rest. Given that only a small portion of locally produced barley goes through official collection channels, it is difficult to differentiate how much is used for human food consumption versus animal feed. Domestically produced food barley is used for bread making and/or mixed with whole wheat flour for use in some traditional dishes, including couscous. During last year's drought many small farmers used barley for human consumption rather than animal feed.

Barley consumption as animal feed fluctuates heavily depending on pasture conditions. Sheep production is most dependent on pasture lands with farmers using barley grain as a secondary provision. Barley is also used in the feed processing sector for cattle and dairy production. According to the Ministry of Agriculture's latest inventory, Morocco had an estimated 17 million head of sheep and 2.7 million head of cattle in 2010.

Morocco's barley imports for brewing average about 15,000 MT per year and are relatively stable.

Moroccan Flour Exports

Although Morocco is a net importer of wheat, it exports limited quantities of wheat flour to neighboring African countries. Morocco's wheat flour exports reflect the excess milling capacity in the industry; hence, millers have been able to process wheat cheaply for export destinations.

Table 4: Morocco's Wheat Flour Exports by Destination (in 1,000 MT)

Marketing Year	2009/2010	2010/2011	2011/2012
Guinea	56.7	44.5	97.1
Gambia	16.4	14.5	8.7
Central African Republic	2.1	3.7	1.5

Chad	0.0	0.0	4.0
Liberia	1.0	2.5	0.5
Senegal	0.0	0.0	0.4
Guinea-Bissau	0.0	0.1	1.5
Niger	3.2	6.2	0.4
Angola	0.0	0.1	3.6
Burkina Faso	0.2	3.3	0.0
Libya	0.0	6.0	0.0
Benin	0.8	0.0	0.0
Others	0.1	1.3	0.7
Total	80.5	82.2	118.3

Source: Official Moroccan Trade data

Stocks

Grain stocks held by farmers fluctuate significantly in Morocco, and they are very difficult to assess. Stocks held by agents licensed by the Cereal Office (grain merchants, cooperatives, processors) and government managed port silos are normally known. The table below provides data on grain stock holdings in Morocco by the end of January 2013.

Table 5: Morocco's Grain Stocks by Shareholder by the end of January 2013 (in 1,000 MT)

Commodity	Grain Merchants	Cooperatives	Millers & Processors	Port silos	Total
Common wheat	810	40	450	30	1,330
Durum wheat	80	-	70	20	170
Barley	70	7	20	0	97
Corn	150	-	150	160	460
Total	1,110	47	690	210	2,057

Source: Moroccan Cereal Office

In CY 2013, Morocco's total storage capacity remained unchanged compared to CY 2012 and totaled 4.48 million MT. More than 50 percent of the storage capacity is concentrated in the regions of Fes-Boulmane, Casablanca and Doukkala-Abda. The wheat stored at these silos accounts for about 10 percent of the total stored wheat in the country.

Morocco's wheat reserve as of January 31, 2013 totaled 1.3 million MT, which was 8 percent higher compared to the same period the previous season. The Moroccan government policy concerning the strategic wheat stocks is to maintain available wheat supplies to cover three months of wheat consumption. As of March 2013, the wheat reserve was estimated at 1.1 million MT, which covers less than three months of local industrial millers demand. This was mainly due to lower wheat imports in January and February 2013.

Storage Facilities and Port Handling

A large silo facility with a storage capacity of 42,000 MT and discharging capacity of 16,000 MT/day that was built by a private Moroccan investor in Jorf Lasfar port in 2008 is now fully operational. This facility contains two 400 MT/hour screw conveyors and a conveyor belt with a capacity of 800 MT/hour. The Jorf Lasfar port currently has the deepest berth (12 meters) of all grain docks in Morocco and is capable of handling grain ships with loads up to 40,000 MT. Another private sector silo with a storage capacity of 66,000 MT (operational capacity of 55,000 MT) was built by a Moroccan company in the port of Casablanca. This facility expanded the total capacity of the Casablanca Port to 110,000 MT.

Policy:

Morocco imposes tariffs on wheat imports on a periodical basis in order to protect the local grain producers from foreign competition. The government usually intervenes when the supply and demand situation in the local market requires such intervention. With mounting pressure from rising wheat prices on the international markets, Morocco suspended the 17.5 percent import duty for common wheat from October 1, 2012 until December 31, 2012. Effective January 2013, Morocco extended their suspension of common wheat import duties until April 30, 2013 and reestablished durum wheat import duties to 2.5 percent until May 31, 2013. Durum wheat import duties are expected to increase to 17.0 percent beginning June and then be reduced sometime later in the year. According to the FTA, the applicable import tariff rate for durum wheat is 18.8 percent.

From October 1, 2012 until December 31, 2012, the Moroccan government implemented a wheat import restitution scheme that was extended in January until April 30, 2013. The objective of the scheme is to alleviate the impact of rising wheat prices and ensure sufficient supplies in the Moroccan market. Through this subsidy scheme, Moroccan wheat importers are reimbursed for 85 percent of the difference between a government reference price (2600 dirham/MT, about \$292) and the wheat prices in the international market. This compares to 100 percent reimbursement under the previous scheme.

The allocated budget to support wheat imports from October 1 to December 31 was initially estimated at 1 billion DH (\$116 million). Morocco's common wheat imports during this period reached 1.38 million MT, corresponding to a subsidy of 832 million DH. In this case, Morocco utilized 83 percent of its initial restitution budget, which is explained by a higher domestic wheat collection rate, which reduced wheat import demand. During the extension phase effective until April 30, 2013, the government did not limit the quantity or budget for the restitution scheme.

Tariff Rate Quota for MY 2013/2014

Moroccan wheat imports are subject to two sets of tariff rate quotas (TRQs) established under two separate trade agreements, one is with the European Union and the other is under the U.S.-Morocco Free Trade Agreement (FTA). Under these agreements, the TRQs for common wheat depend on the size of the local wheat crop in any given year. The implementation of the FTA with the U.S. continues to face some difficulties due to the divergence between the U.S. and the Moroccan government in the interpretations of the agreement concerning the reference year used to compute the size of the quota, as well as the administrative procedures for implementing the TRQs.

Given the size of the Moroccan wheat crop in MY 2011/2012, the tariff rate quotas (TRQs) for U.S. common wheat exports under the FTA were set at their minimum level of 360,000 MT for CY 2012. On August 13, 2012, Morocco's tender to import 300,000 MT of common wheat from the U.S. under the TRQs was not successful. There was no participation from the Moroccan importers due to the soaring wheat prices on the international market and the lower wheat prices on the domestic market and an imminent suspension of import duties. The remaining U.S. common wheat quota of 60,000 MT was not tendered in CY 2012. In CY 2012, the TRQ for U.S. durum wheat of 310,000 MT was rendered ineffective due to an import duty suspension throughout the year.

Given that Morocco's common wheat production totaled 2.7 million MT during MY 2012/2013, the U.S. common wheat TRQ for CY 2013 is estimated at 548,592 MT. The durum wheat quota is estimated at 320,000 MT for CY 2013. On January 10, 2013, Morocco's tender to import 160,000 MT of U.S. durum wheat under the TRQ was not successful due to lack of participation. On March 21, 2013, Morocco launched a second tender of 160,000 MT to fulfill its obligation for durum wheat in CY 2013 that was also unsuccessful.

Barley under the FTA

Under the US-Morocco FTA, import duties on barley would be phased out in equal installments over 15 years. The base import duty for barley negotiated under the FTA was 35 percent. The tariff rate quota for CY 2013(the eight year of the agreement) is set at 16.3 percent.

Marketing:

Distribution Channels

Moroccan wheat farmers have the option to sell their production in the local markets if prices are more appealing than the minimum government guaranteed price. To sell at the pre-set government price, farmers must deliver their crop to licensed grain merchants, cooperatives, or millers. The pre-set price is for a standard quality and deductions or bonuses apply to take into account deviations from the standard quality.

Common wheat accounts for most of the grain that goes through the official distribution channels in spite of the yearly variations caused by the size of the harvest. As of March 2013, the total quantity of common wheat delivered by farmers through the official channels (authorized grains merchants, grains cooperatives, and wheat millers) was estimated at about 1.8 million MT, of which 99.3 percent was common wheat. The Moroccan Office of Cereal and Pulses (ONICL) collected 51 percent of the domestic wheat through bidding to make subsidized flour. For MY 2012/2013, the wheat collection rate was exceptionally high and reached 64 percent compared to 50 percent the previous year.

The table below shows the amounts of locally produced grain delivered through the ONICL licensed channels in the past 10 marketing years (1,000 MT).

Table 6: Grain Channeled to Licensed Agents (1,000 MT)

Marketing Year	Common Wheat	Other Grains(*)	Total
2003/2004	1,013	33	1,046
2004/2005	1,507	45	1,552
2005/2006	1,860	30	1,890
2006/2007	1,651	20	1,671
2007/2008	2,479	20	2,499
2008/2009	519	13	532
2009/2010	1,388	25	1,413
2010/2011	2,658	42	2,700
2011/2012	1,841	31	1,872
2012/2013	1,787	13	1,800
Average	1,670	27	1,697

* Include Durum, Barley and Corn. Source: Moroccan Cereal Office

In MY 2012/2013, grains merchants, flourmills, and cooperatives accounted for 69 percent, 26 percent, and 5 percent, respectively, of the grains collected through the official channels.

U.S. Wheat Marketing Activities

The U.S. Wheat Associates Office in Casablanca continues to implement market development and promotional activities to expand U.S. wheat exports in Morocco and other North Africa markets. These activities include the support of a milling school that is managed by the Moroccan Miller Federation, as well as other market development and trade servicing programs targeted at wheat buyers in the region. In December 2012, the U.S. Wheat Associates organized its annual Crop Quality Seminar in Casablanca for Moroccan end-users, including private millers, importers, and regulatory officials.

Prices:

Cereal farmers in Morocco have the option to sell their common wheat production to government licensed traders (grain merchants, cooperatives, and mills) at a preset price (2,600 dirham/MT) or sell it in the free market. Prices of other grains (including durum wheat and barley) are freely negotiated in the market place. During the period June 2012- to mid February 2013, common wheat prices in the local markets averaged 3,150 dirham/MT. For the same period durum wheat prices averaged 3,790 dirham/MT, while barley prices averaged 3,420 dirham/MT. Compared to the same period in the previous season, prices of the three commodities declined by 1.25 percent, 5.49 percent, and 9.76

percent respectively. The stability of common (bread) wheat prices in the local market during this period reflects the success the government's measures have made in alleviating the impact of rising international wheat prices and ensuring sufficient wheat supplies in the Moroccan markets.

Table 7: Grain Average Prices in Local Markets (Dh/MT)

Marketing Year	Common Wheat	Durum	Barley
2005/2006	2,590	2,950	2,490
2006/2007	2,490	2,910	2,110
2007/2008	3,190	3,830	3,230
2008/2009	2,720	3,440	2,740
2009/2010	2,450	2,750	1,750
2010/2011	2,560	2,890	2,220
2011/2012	2,620	3,200	3,090

Source: Morocco's Cereal Office (ONICL) (Indicative exchange rate 2012 (1 USD = 8.64 dirham))

Production, Supply and Demand Data Statistics:

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

Wheat Morocco	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3,040	3,040	3,142	3,142		3,280
Beginning Stocks	1,959	2,748	2,254	3,073		1,843
Production	5,800	5,800	3,400	3,870		5,900
MY Imports	3,625	3,205	4,000	3,300		2,700
TY Imports	3,625	3,205	4,000	3,300		2,700
TY Imp. from U.S.	0	0	0	60		200
Total Supply	11,384	11,753	9,654	10,243		10,443
MY Exports	180	180	200	200		90
TY Exports	180	180	200	200		90
Feed and Residual	550	500	100	100		100
FSI Consumption	8,400	8,000	8,300	8,100		8,200
Total Consumption	8,950	8,500	8,400	8,200		8,300

Ending Stocks	2,254	3,073	1,054	1,843		2,053
Total Distribution	11,384	11,753	9,654	10,243		10,443
Yield (MT/HA)	2.	1.9079	1.	1.2317		1.7988

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

Barley Morocco	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2,025	2,025	1,893	1,893		1,690
Beginning Stocks	984	984	775	835		185
Production	2,340	2,340	1,100	1,200		2,000
MY Imports	558	611	500	250		250
TY Imports	536	590	500	250		250
TY Imp. from U.S.	0	0	0	20		25
Total Supply	3,882	3,935	2,375	2,285		2,435
MY Exports	7	0	0	0		0
TY Exports	7	0	0	0		0
Feed and Residual	2,100	2,100	1,200	1,400		1,500
FSI Consumption	1,000	1,000	700	700		800
Total Consumption	3,100	3,100	1,900	2,100		2,300
Ending Stocks	775	835	475	185		135
Total Distribution	3,882	3,935	2,375	2,285		2,435
Yield (MT/HA)	1.	1.1556	1.	0.6339		1.1834