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## **Morocco**

### **Citrus Annual**

#### **2012**

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**Report Highlights:**

Morocco's citrus production in MY 2012/13 is estimated at 1.49 million MT, a 19.6 percent decline over production level in 2011/2012. Orange production is estimated at about 784,000 MT, while small citrus estimated at 662,400 MT and other citrus at 47,500 MT. The 2012/13 citrus crop was significantly damaged by severe heat waves during the first half of May, with significant losses occurring to both small citrus and oranges plantations. Fresh citrus exports in MY 2011/2012 totaled 487,164 MT, a decline of 7.97 percent compared to the previous season, and about 14.7 percent short of the 571,000 MT export target. Morocco's citrus exports for MY 2012/13 are projected at 442,700 MT, about 9 percent lower than exports in MY 2011/12. The Russian market was less impacted compared to the EU markets, though both remained as the main destinations for Moroccan citrus exports in 2011/12. The direct shipping to the U.S. and the Free Trade Agreement (FTA), are expected to raise Morocco's citrus export to the U.S. market

## **Executive Summary:**

Morocco's citrus production in MY 2011/2012 totaled 1.87 million MT, about 6 percent higher than the production level in the previous year. For MY 2012/13, total citrus production is projected to decline by 19.6 percent to 1.49 million MT, of which orange production is estimated at about 784,000 MT, small citrus at 662,400 MT and other citrus at 47,500 MT. The production decline in MY 2012/13 is mostly due to unfavorable weather conditions marked by a strong heat wave that hit Morocco during the first half of May, which coincide with the blossoming and the fruit setting periods. However, the 2012/2013 season's rainfall has significantly improved compared to the previous season, which could impact the citrus fruit size in the coming period.

The average yield for the 2011/12 citrus harvest was estimated at 23.7 MT/HA for small citrus and 23 MT/HA for oranges. For MY 2012/2013, yields are projected to decline to 16.6 MT/HA for small citrus and 17.4 MT/HA for oranges. It is reported that citrus harvested area is 8.3 percent higher than the previous season, although total citrus production is projected to decline by 19.6 percent. The harvest is reported to be of average quality, especially in terms of fruit size due to insufficient rainfall the previous season. At present, Moroccan citrus production can hardly keep up with growing demand from both export and local markets.

Citrus exports in 2011/2012 totaled 487,164 MT, a decline of 7.97 percent compared to the previous season, and about 14.7 percent short of the 571,000 MT target set by the Moroccan government at the beginning of the export season. Orange exports in 2011/2012 totaled 137,971MT, about 21.2 percent lower than exports in 2010/11. Exports of small citrus in 2011/2012 totaled 343,671MT, a decrease of 1.6 percent over exports in the previous year, mostly due to a drop in Clementine exports. The Russian and the E.U. markets remained the main destinations for Moroccan citrus exports in MY 2011/12, though Morocco has not been able to fill its duty-free import quota granted by the EU. Morocco's citrus exports for MY 2012/13 are projected at 442,700 MT, about 9 percent lower than exports in MY 2011/12.

The Moroccan government continues to provide subsidies for new citrus plantations that could reach up to 10 percent of the construction and the equipment cost for the citrus conditioning stations with a maximum of 4.75 million DH and 100 percent of the cost of installing new drip irrigation system, including digging wells and purchasing of irrigation equipment. Producer subsidy payments for new citrus plantations were increased to 12,000 DH per hectare (\$1,550), up from 7,800 DH per hectare previously. In 2012, the government announced its intention to expand the crop insurance program to include fruit trees in order to mitigate financial losses due to climate risks.

## **Production:**

The Moroccan Ministry of Agriculture published the final estimate for citrus production for MY 2011/2012 at 1.87 million metric ton (MT). Citrus production was about 6 percent higher than the production level in the previous year. Morocco's citrus production for MY 2012/13 is projected at 1.49 MT, a decline of 19.6 percent compared to production in MY 2011/2012. Morocco's citrus crop for the MY 2012/13 was significantly damaged by a heat waves that hit Morocco during the first half of May. The region of Souss-Massa-Draa has reportedly suffered the most damage to its citrus production from the hot weather conditions during blossoming and fruit setting. According to local agricultural experts, many of the orchards in the region have suffered up to 60-70 percent losses in the Clementine's fruit-settings, which could cause more damage than what was officially announced by the the Ministry of Agriculture on October 2012.

However, the 2012/2013 season started under favorable conditions with significantly improved rainfall compared to the previous season. Cumulative rainfalls from September 1 to November 23, 2012 totaled 200 mm compared to 110 mm in the previous season and 86 mm in a normal year. The improved climate conditions could improve fruit size this marketing year.

For PS&D purposes, Post maintained the previous estimates that Morocco's total citrus production would not exceed 1.725 million MT, including 850,000 MT of oranges, 730,000 MT of small citrus, and 145,000 MT of other citrus.

According to Ministry of Agriculture's data, total planted area for citrus for MY 2012/13 is estimated at 111,417 hectare (HA), of which 52,858 HA are oranges, 54,346 HA are small citrus fruits and 4,213 HA are other citrus (lemons, limes and grape fruits). The total citrus productive area is estimated at 88,183 (HA), an increase of about 8.3 percent over the previous year, with 45,045 (HA) of oranges, 39,870 (HA) small citrus and 3,268 (HA) other citrus. The Souss region (Agadir and Taroudent) accounts for nearly half of Morocco's citrus production, and about 70 percent of its total citrus exports. This region continues to face critical water shortages which impede plans for future expansion of the citrus areas. In contrast, the Gharb region in the northern part of Morocco (Kenitra and Sidi Kacem) appears to have high potential for production growth. The expansion of citrus production in the Gharb area, however, has been constrained by aging orchards, limited number of citrus varieties, and lack of new investment. Water scarcity in the Souss region, and the appeal of the export markets encouraged many leading citrus producers to consider the Gharb area as an alternative region to expand citrus production.

The average yield for MY 2011/12 citrus harvest was estimated at 23.7 MT/HA for small citrus and 23 MT/HA for oranges. For MY 2012/2013, yields are projected to decline to 16.6 MT/HA for small citrus and to 17.4 MT/HA for oranges. In MY 2012/2013, the production area for oranges and small citrus increased by 9 and 23.8 percent respectively. However, the expanded harvest area is not likely to offset the impact of the unfavorable weather, and hence production is expected decline by 17 and 13 percent respectively.

Small citrus production is dominated by Clementine-type varieties, such as Nules, Deverdis and Late Clementine. Production of small citrus varieties, Nova and Nadorcott, is projected to increase by 11 and 55 percent respectively, due to production of new orchards coming on line. It should be noted that there are more than 47 citrus varieties in Morocco, several of which are new hybrid varieties, such as Nadorcott (Afourer), Ortanique and Nova that are gaining popularity compared to local varieties. These varieties have the advantages

of being a higher quality and harvested later which extends the marketing season through February and thus increases their availability to the export markets.

Orange varieties are mainly dominated by Valencia Late (Maroc Late) and W. Navel, with market shares of 45 and 44 percent, respectively. Due to weak export market demand, more than 80 percent of Morocco's oranges production is absorbed by the local market. The orange variety Maroc-late production was the most impacted by the unfavorable weather conditions, and hence declined by 115,000 MT compared to the previous season. The growth in the orange planted area has been noticeably slower than the growth in small citrus area.

The table below shows Morocco's citrus production estimate for MY 2011/12 and production projection for MY 2012/13.

**Table 1: Citrus Production for MY 2011/12 and MY 2012/13**

Marketing Year	Production (1,000 Metric Tons)		
	2011/2012	2012/2013	% Change
<b>Total Small Citrus Fruit</b>	<b>763.9</b>	<b>662.4</b>	<b>-13%</b>
Clementine	598.2	498.0	-17%
Nour	95.0	72.0	-24%
Ortanique	15.7	13.4	-15%
Nova	11.7	13.0	11%
Others(Nadorcott)	43.2	66.0	53%
<b>Total Oranges</b>	<b>948.5</b>	<b>784.0</b>	<b>-17%</b>
Navel	375.2	343.0	-9%
Sanguine	66.6	51.0	-23%
Maroc-Late	469.2	354.0	-25%
Salustiana	37.5	36.0	-4%
<b>Others Citrus*</b>	<b>154</b>	<b>47.5</b>	<b>-69%</b>
<b>Total Fresh Citrus</b>	<b>1,866</b>	<b>1,494</b>	<b>-20%</b>

Source: Ministry of Agriculture, DSS, and Export Quality Control Office (EACCE).

\*: includes lemon and grapefruits. Breakdown by variety not available.

Note: Estimates for production are issued by Citrus Producers Association, DSS and the EACCE and are to be interpreted with caution because of their relative objectivity.

The government of Morocco has set an ambitious goal for citrus production under the agricultural strategy the "Green Plan." The Moroccan Citrus Producers Association (ASPAM) is in charge of implementing the citrus strategy. The citrus plan project to help create employment in the sector, provide consistent supplies and a longer harvest season. ASPAM is aiming at expanding the citrus production period through increased planting of late-maturing varieties such as Nadorcott and Nour. The total citrus production is projected to grow from an initial level of 1.7 million MT to 2.9 million MT by 2018 through expanding citrus areas by 20,000 HA and renewing 30,000 HA of old plantation.

One of the major problems facing citrus production in Morocco is the presence of the virus disease Tristeza, which causes the death of the infected trees. This disease affects mostly citrus cultivars grafted on the highly susceptible sour orange rootstock (Bigaradier) that represents 95 percent of Morocco's citrus rootstock. In order to avoid the spread of the disease, the GOM has taken some preventive measures that include providing subsidies to citrus growers in the affected region to uproot, burn and replace infected trees. According to a decree by Ministry of Agriculture published in August 2010, the Moroccan government will provide citrus farmers with 28,000 MDH per hectare for the uprooting of infected trees and replanting of new citrus orchards in the affected area. This year's harvest is reported to be of average quality, especially in terms of fruit sizes. Unfavorable rain that Morocco experienced in the previous season had a negative effect on fruit size will result in a higher percentage of the harvest not being fit for the export market. Export markets particularly prefer large and medium sizes fruits.

### **Processed Citrus Production**

The citrus processing sector in Morocco continues to face stiff competition in sourcing raw materials in the fresh citrus market. This is mainly due to the low prices offered by orange juice processors compared to prices offered in the fresh citrus market. There are five citrus processing plants currently operating in Morocco, of which three are producers of single strength orange juice that can hardly meet demand from local market buyers.

Morocco's orange juice imports between January and September 2012 totaled 3,364 MT, which represents 60 percent of total juice import (5,485 MT). Morocco's orange juice exports totaled 3,968 MT during the same period, which represent 54 percent of total juice exports (7,289 MT). Orange juice imports and exports in CY 2011 totaled 5,587 MT and 2,920 MT respectively. The upward trend for Morocco's juice exports continued during January-September 2012, with exports rising more than 58 percent, although, juice imports declined by 32 percent compared to the same period in the previous season.

Variation in PSD's orange juice stocks and consumption data is affected by informal economic activity that occurs in the northern region of the country. Data for the MY 2012/ reflect that Morocco's orange juice imports and exports are estimated at 4,000 MT and 3,700 MT respectively.

ASPAM's long-term goals include allocating 200,000 MT of fresh citrus production for juice processing annually by 2018. This target is equivalent to about 60 million liters of juice and it may be a hard goal to reach since the prices for fresh citrus are more attractive. . In conjunction with a reduced orange production, fresh oranges going to delivered to juice processors remained at 60,000 MT for the MY 2012/2013 season. This being the case, Morocco is likely to increase its concentrated juice imports in order to meet local demand. Morocco's orange juice market is currently estimated at about 50 million liters, of which 20 million comes from local processing of fresh citrus and the rest is imported juice and concentrates.

### **Trade:**

Morocco's citrus exports are mostly dominated by small citrus and oranges. About 80 percent of exports consist of Clementine, Maroc Late, Nour and orange varieties. Morocco's fresh citrus export season starts about mid-October with Clementine-like varieties. The mid-season varieties, such as bloody oranges, Salustiana, and Navel, provide a bridge through the March/April period at which point the Maroc-Late variety takes over until July.

Citrus exports in MY 2011/2012 totaled 487,164 MT, a decline of 7.97 percent compared to the previous season, and about 14.7 percent short of the 571,000 MT target set by the Moroccan government at the beginning of the export season. Orange exports in MY 2011/2012 totaled 137,971 MT, about 21.2 percent lower than exports in 2010/11, mainly due to a decline in Maroc Late exports. Exports of small citrus in MY 2011/2012 totaled 343,671MT, a decrease of 1.6 percent over exports in the previous season, mostly due to a decrease in Clementine exports.

Morocco's citrus exports for MY 2012/13 are projected to reach 442,700 MT, about 9 percent lower than exports in MY 2011/12. Morocco's citrus crop for the 2012/13 season has been significantly damaged by the strong heat wave that hit Morocco during the first half of May, which coincided with blossoming and fruit setting. As a result of lower production, export volume was revised down this year. In the 2012/2013 season, Morocco projects to increase its citrus export ratio from 26 to 30 percent, in order to offset the production decline.

For the MY 2012/2013, most of Morocco's citrus export decline will occur in the Clementine and Nour varieties, which represent above 50 percent of Morocco's total citrus exports. Orange export will increase by 3 percent mainly due to Maroc-Late and Navel exports. Production of these two varieties is expected to decline by 25 and 9 percent respectively. It should be noted that orange demand is commonly higher in the local market, which could restrain orange exports.

For MY 2012/2013, Morocco's small citrus exports are projected to decline by 14 percent, although Nadorcott exports are projected to increase by 6 percent due to new orchard production. Most small citrus variety exports, including Navels Deverdis and Navels Lane-Late, are projected to decline this season due to lower production and increased domestic demand. In addition, Moroccan consumers prefer the sweeter taste of Navel varieties ( Lane and Devedis ), while European customers prefer more acidic tasting oranges. In MY 2012/2013, exports of other citrus, mainly lemons, are expected to decline by 22 percent from 5,524 MT to 4,300 MT.

The table below shows export estimates for MY 2011/12 and projections for the upcoming MY 2012/13.

**Table 2: Morocco's Citrus Exports in MY 2011/12 and Projections for MY 2012/13**

Marketing Year	Exports (1000 Metric Tons)		
	2011/2012	2012/2013	% Change
<b>Total Small Citrus Fruit</b>	<b>343,671</b>	<b>296,900</b>	<b>-14%</b>
Clementine	205,970	173,000	-16%
Nour	77,147	66,700	-14%
Ortanique	7,579	5,200	-31%
Nova	7,792	4,000	-49%
Other (Nadorcott)	45,183	48,000	6%
<b>Total Oranges</b>	<b>137,971</b>	<b>141,500</b>	<b>3%</b>

Navel	13,552	16,200	20%
Sanguine(Bloody)	22,872	23,000	1%
Maroc-Late	82,096	86,000	5%
Salustianas	19,210	16,300	-15%
<b>Other Citrus*</b>	<b>5,522</b>	<b>4,300</b>	<b>-22%</b>
<b>Total Fresh Citrus</b>	<b>487,164</b>	<b>442,700</b>	<b>-9%</b>

Source : EACCE

The table below shows Morocco's citrus exports by market share for major varieties in 2011/2012.

**Table 3: Market Share by Varieties Exported in MY 2011/2012**

<b>Citrus Varieties / Species</b>	<b>Share of Total Exports %</b>
CLEMENTINES DEVERDIS	29%
MAROC LATE	16%
NOUR	15%
CLEMENTINE NATURELLE	14%
NADORCOTT	8%
SALUSTIANAS	4%
WASH. SANGUINES	4%
NOVA	1%
ORTANIQUES NATURELLE	1%
OTHERS	8%

Source: EACCE

The decline in Moroccan citrus exports this season is mostly due to lower fruit quality, especially in terms of fruit sizes. In addition, the negative impact of last year's inadequate rainfall resulted in a greater percentage of the citrus harvest not being fit for exports.

Improving Morocco's citrus export logistics is expected to buffer production decline. In 2011, a new shipping line opened between the port of Agadir (the leading citrus export region) and the port of St. Petersburg in Russia, the leading export destination market. In addition, a new shipping line between the port of Tanger and the port of Jabel-Ali in the United Arab Emirate became operational in early 2012. This shipping line should help increase the competitive position of Morocco's citrus exports in the Arab Gulf States' markets. Effective November 2012, the additional direct shipping line from Agadir to Saint Petersburg in Russia, via Port-Vendres in France, is expected to reinforce Russia's position as the top destination market.

ASPAM is currently considering, with the Ministry of Agriculture and the export agency Maroc Export, the feasibility of establishing citrus storage facilities and distribution platforms in some of the potentially large exports markets.

In MY 2011/12, Moroccan citrus exports to Russia soared to 253,436 MT, of which 197,417 MT were small citrus varieties, 53,344 MT oranges, and 2,675 MT lemons. In 2011/12, the Russian market absorbed more than 50 percent of Morocco's fresh citrus exports, while the EU market accounted for about 40 percent. The Russian

market maintained itself better than the European market, since export declines were estimated at 2 and 15 percent respectively, compared to the previous year.

The Russian market is attractive to Moroccan exporters because of the difficulties they face complying with increasingly stringent EU standards and requirements, as well as the incentives that the government provides when exporting to non-EU countries (see policy section below). The rise in Morocco's exports to the Russian market is also attributed to the new direct shipping lines between Morocco and Russia.

Morocco's citrus exports to China totally disappeared in MY 2011/2012, following a modest start the previous season with 60 MT of Clementine Deverdis and Nova varieties.

The following two tables show Morocco's orange and small citrus exports by destination in the last three years, as well as, export changes in MY 2011/12 vs. MY 2010/11.

**Table 4: Orange Exports (MT) and Percent Changes in MY 2011/2012**

<b>Marketing Year</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>%</b>
<b>Russia</b>	<b>60 699</b>	<b>72 283</b>	<b>53 344</b>	<b>-26%</b>
<b>Total E.U.</b>	<b>97 081</b>	<b>99 323</b>	<b>81 107</b>	<b>-18%</b>
<i>Netherland</i>	49 749	51 055	48 509	-5%
<i>England</i>	16 020	17 983	14 392	-20%
<i>France</i>	10 545	10 640	7 095	-33%
<i>Germany</i>	3 675	3 309	3 632	10%
<i>Belgium</i>	1 682	2 941	2 942	0%
<i>Sweden</i>	3 908	8 579	2 226	-74%
<i>Lithuania</i>	2 050	1 608	1 073	-33%
<i>Poland</i>	1 143	1 524	0	-100%
<i>Other E.U.</i>	8 309	1 684	1 238	-26%

U.S.A	40	22	0	-100%
Canada	86	107	232	117%
Senegal	1 651	1 133	943	-17%
Saoudi.A	839	382	903	136%
Others	1 478	1 894	1 442	-24%
<b>Total Orange</b>	<b>161 874</b>	<b>175 144</b>	<b>137 971</b>	<b>-21%</b>

Source: EACCE

**Table 5: Small Citrus Exports (MT) and % Change in 2010/2011**

Marketing Year	2009/2010	2010/2011	2011/2012	%
<b>Russia</b>	<b>129 914</b>	<b>183 386</b>	<b>197 417</b>	<b>8%</b>
<b>Total E.U</b>	<b>120 674</b>	<b>93 361</b>	<b>83 788</b>	<b>-10%</b>
<i>England</i>	24 969	17 756	23 640	33%
<i>France</i>	31 308	24 809	23 169	-7%
<i>Netherland</i>	49 138	29 597	16 887	-43%
<i>Sweden</i>	5 025	7 813	9 325	19%
<i>Lithuania</i>	5 313	7 584	7 347	-3%
<i>Germany</i>	1 803	1 892	1 807	-4%
<i>Poland</i>	1 484	1 961	65	-97%
<i>Finland</i>	1 078	1 701	699	-59%
<i>Other E.U</i>	556	248	849	242%
Canada	47 549	42 589	41 469	-3%
U.S.A	15 386	20 874	15 978	-23%
Saoudi.A	5 484	6 381	4 415	-31%
Norway	2 299	1 285	46	-96%
Others	1 105	1 265	558	-56%
<b>Total Small Citrus</b>	<b>322 411</b>	<b>349 141</b>	<b>343 671</b>	<b>-2%</b>

Source: EACCE (Export Quality Control Office)

### Exports to the United States

Moroccan citrus exports to the United States in MY 2011/2012 totaled 15,978 MT, most of which were Clementine varieties. About 52 percent of these exports were Clementine Deverdis, 19 percent Nour, 19 percent Natural Clementine, and 8 percent Nova. Morocco citrus exports to the U.S. declined in the MY2011/2012 by 24 percent compared to the previous season. Most of Morocco's decline in citrus exports to the U.S. market concerned two varieties, Nour and Nadorcott, with 53 and 65 percent drops respectively. The variety Nour production was 14 percent lower in the 2011/2012 season and hence negatively affected exports. Some issues, however, remain as constraints for expanding Moroccan citrus exports to the United States, U.S. consumer preference for larger fruit and export transport logistics. To counter the logistical constraint, Morocco exported citrus directly from Agadir to the United States for the first time in November 2012. Previously, Morocco was forced to send these shipments via Europe for cold treatment. The direct shipping to the U.S. and the implementation of the U.S.-Morocco Free Trade Agreement (FTA), are expected to raise Morocco's citrus export to the U.S. market. It should be noted that Morocco's citrus exports to the U.S. in 2006/2007 were about 7,800 MT, and grew under FTA terms to 20,874 MT in 2010/2011.

### Long-term Prospects for Fresh Citrus Exports

Currently, Moroccan citrus production can hardly keep up with growing demand from both export and local markets. In recent years, Morocco has not been able to fill its annual duty-free quota granted by the EU. In February 2012, Morocco and the European Union concluded lengthy negotiations for a Free Trade Agreement (FTA) on agriculture.. The agricultural agreement with the EU entered into effect in June 2012. The new agreement will increase Morocco's small citrus fruit export quota by 22 percent, from 143,700 MT to 175,000 MT. The orange quota will remain at 306,800 MT. This quota increase, however, is not expected to have a significant impact on Morocco's overall citrus exports to the EU, since Moroccan citrus quotas have remained partially underutilized in previous years. Additionally, prices in the Moroccan market often reach levels at which many farmers consider it more beneficial to sell their products locally and avoid the risks and delays in payment of selling in the export markets.

### **Export Procedures**

Moroccan citrus exports are all handled by the private sector and are carried out by fully integrated cooperatives of small farmers and private companies (Moroccans, as well as, joint ventures with Europeans). In many cases, the exporting companies are advanced technologically and have shown great ability to adapt to constantly changing production and control conditions and meet importers' requirements such as ISO standards, EUREPGAP, BRC-British Retail Consortium, HACCP, etc.

The non-EU markets, commonly known as "Contract Markets", include Russia, Lithuania, Saudi Arabia, Canada, and the U.S. In the past few years, these markets accounted for over 60 percent of Morocco's total exports, up from an average of around 40 percent in 2004. This shift is mostly due to a greater focus on the Russian market. The Russian market is expected to remain as the main export destination during the current year. Annual arrangements for these markets are typically made between importers and Moroccan exporters to ship agreed-upon quantities and quality of fruits. These markets are mostly handled by the exporters' cooperatives such as the Moroccan Fruit Board (MFB) that coordinate export logistics among its members.

All exported food and agricultural products in Morocco are subject to quality control by the Ministry of Agriculture's Export Quality Control Office (known as EACCE, i.e. Etablissement Autonome de Controle et de Coordination des Exportations). The EACCE ensures that the standards and requirements of the importing country, as far as quality is concerned, are effectively met.

### **Policy:**

The citrus production and export sector is among the most organized and well managed sectors in Morocco. Due to its impact on foreign exchange revenues (about \$350 million annually) and job creation in rural areas and the economy in general, this sector has received a great deal of support from the Moroccan government. In the past several years, new citrus plantings have been growing at an average of about 2,000 hectares per year. This growth rate was deemed insufficient by the industry to keep up with the demand. More recently, however, there has been an increased interest in new citrus plantation and renewal of orchards reaching 3,500-4,000 hectares per year due to several factors including:

- Consistently higher demand for exports and Morocco's inability to fill up its preferential quotas in the E.U. market (143,700 MT for Clementine which will increase to 175,000 MT under the new agricultural

agreement with the EU and 306,800 MT for oranges). The Moroccan government has been subsidizing exports to Russia and other non-EU markets (see table).

- The leasing (in 2006,2008, 2010, and 2012) of some government-owned land to private sector investors made several thousands of hectares of Morocco’s best farms available to new agricultural investment. It is likely that a good part of this leased land would be devoted to citrus production. In 2012, it is projected that 20 000 HA of government-owned land will be leased to private sector investors.
- The Ministry of Agriculture’s increased investment premium for the citrus sector (see table). Most of the increase is expected to occur in the northern and northern central parts of the country (Kenitra, Larach, Berkane, Beni Mellal, etc.).

Under the Green Plan” the government of Morocco has set an ambitious strategy for citrus production in Morocco. Total citrus production is projected to grow from its initial level of 1.7 million MT to 2.9 million MT by 2018, through expanding citrus-planted areas by 20,000 hectares and renewing old plantation of 30,000 hectares.

To help achieve the goals of this strategy, the GOM provides subsidy of 10 percent of the construction and the equipment cost for the conditioning of citrus stations with a maximum of 4.75 million MDH and 100 percent of the costs of installing new drip irrigation systems, including digging wells and purchasing irrigation equipment. Much of the new citrus plantations will be located in the Gharb region where water scarcity is less critical than in the traditional citrus areas in the Souss region.

### Subsidies and incentives

The Moroccan government currently provides a set of incentive measures to support citrus growers and encourage new investment in citrus production. The Ministry of Agriculture decree (# 2-09-601) issued in October 2009 to increase the support payments for the new citrus plantations to 12,000 MDH per hectare (\$1,550 HA), up from 7,800 MDH per hectare. In addition, there are other incentives that are not crop specific for citrus growers which have helped boost investment and the planting of new citrus orchards. In 2012, the government announced its plans to extend the crop insurance program to fruits trees including citrus plantations. The program is intended to mitigate financial losses due to droughts, floods, hurricanes, sand storms, and hail. The implementation scheme has not been announced yet but citrus farmers are hopeful about the program. The table below provides a list of major investment incentives and subsidies relevant to citrus production, marketing and exports:

**Table 6: Subsidies and Incentives Provided to the Citrus Sector**

Activity	Subsidy/incentive	Comment
Aggregation Project centered around conditioning station	1,500 dirhams/hectare for the aggregation project	Specific to citrus to encourage aggregation project
Conditioning Station	10% of the cost of construction and equipments, with a maximum of 4.75 million Dirhams.	Specific to citrus. Subsidy depends on global cost of the conditioning station,

Digging new wells and installing irrigation equipment	100 percent of cost with a maximum cumulated of 33,000 dh (an additional maximum of 18,000 dh/ha could be added if a water basin is built).	Not specific to citrus.
Investment Premium for new citrus plantation	12,000 dirhams/hectare when certified plants are used.	Specific to fresh citrus.
Export promotion to diversify export destinations (subsidy if exported to non EU countries)	200 dirhams for each MT exported to Russia or incremental exports to other non-EU destinations (use exports in My 2000/2001 as basis)	Specific to fresh citrus. Could probably be phased out for Russia as this market accounts today for almost 50 percent total exports.
Export promotion to diversify export destinations (subsidy provided to exports to non EU or Russian markets)	500 dirham/MT for exports outside the Russian and EU markets, and exceeding export levels for periods between September 1, 2000 and August 31, 2001.	Specific to fresh citrus.

Indicative Exchange Rate: 1USD = 8.08MDH

### Production, Supply and Demand Data Statistics:

Production, Supply and Distribution in Morocco (1000 MT)

Tangerines/Mandarins Fresh Morocco	2010/2011			2011/2012			2012/2013		
	Market Year Begin: Oct 2010			Market Year Begin: Oct 2011			Market Year Begin: Oct 2012		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted (HECTARES)	41,485	41,485	41,485	42,100	42,100	42,100			54,346
Area Harvested (HECTARES)	31,321	31,321	31,321	32,200	32,200	32,200			39,870
Bearing Trees (1000TREES)	13,926	13,926	13,926	14,316	14,316	14,316			17,720
Non-Bearing Trees (1000TREES)	3,700	3,700	3,700	3,900	3,900	3,900			6,294
Total No. Of Trees (1000TREES)	17,626	17,626	17,626	18,216	18,216	18,216			24,014
Production (1000 MT)	716	716	716	730	764	730			662
Imports (1000 MT)	0	0	0	0	0	0			0
Total Supply(1000 MT)	716	716	716	730	764	730			662
Exports (1000 MT)	349	349	349	345	349	344			297
Fresh Dom. Consumption (1000MT)	367	367	367	385	415	386			365
For Processing	0	0	0	0	0	0			0
Total Distribution (1000MT)	716	716	716	730	764	730			662

Oranges, Fresh Morocco	2010/2011			2011/2012			2012/2013		
	Market Year Begin: Oct 2010			Market Year Begin: Oct 2011			Market Year Begin: Oct 2012		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted (HECTARES)	45,283	45,283	45,283	45,500	45,500	45,500			52,858
Area Harvested (HECTARES)	42,416	42,416	42,416	41,200	41,200	41,200			45,045
Bearing Trees(1000TREES)	14,950	14,950	14,950	14,500	14,500	14,500			16,090
Non-Bearing Trees (1000TREES)	955	955	955	1,520	1,520	1,520			2,700
Total No. Of Trees (1000TREES)	15,905	15,905	15,905	16,020	16,020	16,020			18,790
Production (1000 MT)	904	904	904	850	949	850			784
Imports (1000 MT)	0	0	0	0	0	0			0
Total Supply (1000MT)	904	904	904	850	949	850			784
Exports (1000 MT)	175	175	175	120	215	138			141
Fresh Dom. Consumption (1000MT)	689	689	689	670	684	652			593
For Processing (1000MT)	40	40	40	60	50	60			50
Total Distribution (1000MT)	904	904	904	850	949	850			784

Lemons/Limes, Fresh Morocco	2010/2011			2011/2012			2012/2013		
	Market Year Begin: Oct 2010			Market Year Begin: Oct 2011			Market Year Begin: Oct 2012		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted (HECTARES)	4,345	4,345	4,345	4,600	4,600	4,600			4,213
Area Harvested (HECTARES)	3,570	3,570	3,570	3,700	3,700	3,700			3,268
Bearing Trees (1000TREES)	1,419	1,419	1,419	1,428	1,428	1,428			1,626
Non-Bearing Trees (1000TREES)	255	255	255	347	347	347			365
Total No. Of Trees (1000TREES)	1,674	1,674	1,674	1,775	1,775	1,775			1,991
Production (1000 MT)	50	50	50	60	60	60			47
Imports (1000 MT)	0	0	0	0	0	0			0
Total Supply (1000 MT)	50	50	50	60	60	60			47
Exports (1000 MT)	5	5	5	6	7	7			5
Fresh Dom. Consumption (1000MT)	45	45	45	54	53	53			42
For Processing (1000MT)	0	0	0	0	0	0			0
Total Distribution (1000MT)	50	50	50	60	60	60			47

Orange Juice Morocco	2010/2011			2011/2012			2012/2013		
	Market Year Begin: Oct 2010			Market Year Begin: Oct 2011			Market Year Begin: Oct 2012		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Deliv. To Processors (MT)	40,000	40,000	40,000	50,000	50,000	60,000			60,000
Beginning Stocks (MT)	0	0	0	0	0	1,000			300
Production (MT)	4,000	4,000	4,000	5,000	5,000	6,000			6,000
Imports (MT)	1,300	4,141	4,141	3,300	3,300	3,500			3,700
Total Supply (MT)	5,300	8,141	8,141	8,300	8,300	10,500			10,000
Exports (MT)	2,100	1,915	1,915	2,000	2,000	4,200			4,000
Domestic Consumption (MT)	3,200	6,226	5,226	6,300	6,300	6,000			6,000
Ending Stocks (MT)	0	0	1,000	0	0	300			0
Total Distribution (MT)	5,300	8,141	8,141	8,300	8,300	10,500			10,000