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Morocco

Citrus Semi-annual

Sub-Saharan Africa and the Middle East Take on Greater Importance for Moroccan Exports

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Report Highlights:

While only slight revisions are made to Morocco's fresh citrus exports as a whole, Morocco continues to make strides to diversify its exports, sending greater and greater volumes to Sub-Saharan Africa and finding new markets in the Middle East. Reemerging MedFly problems were particularly disruptive to Morocco's citrus exports in February 2017, including specifically its exports to the United States.

Significant changes are incorporated into the orange juice balance sheet in order to account for trade on a 65° brix basis.

Tangerines/Mandarins (including Clementines)

Production: According to Morocco's citrus producer federation (*Maroc Citrus*), production for MY 2016/17 totaled 1,278,347 MT.

Figure 1: Tangerine/Mandarin Area

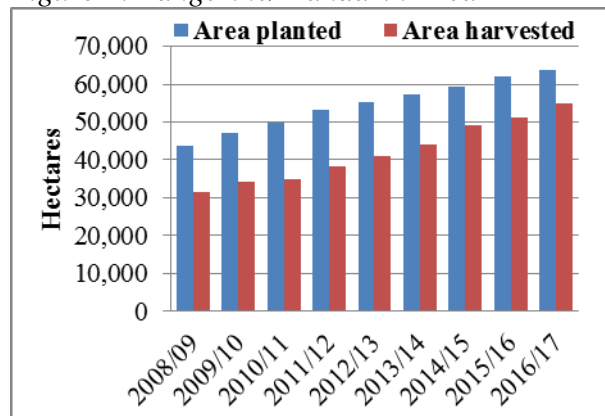
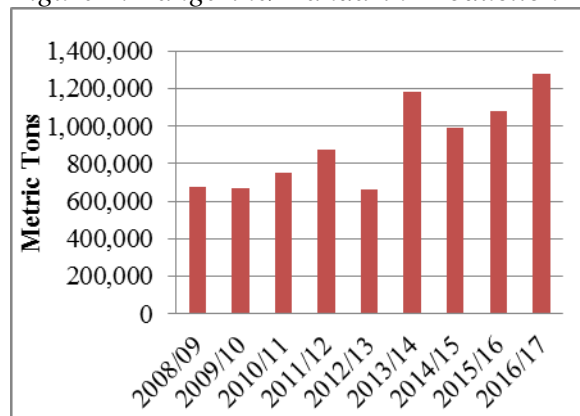


Figure 2: Tangerine/Mandarin Production



Source: MoA (2008/09-2014/15), Maroc Citrus (2015/16-2016/17)

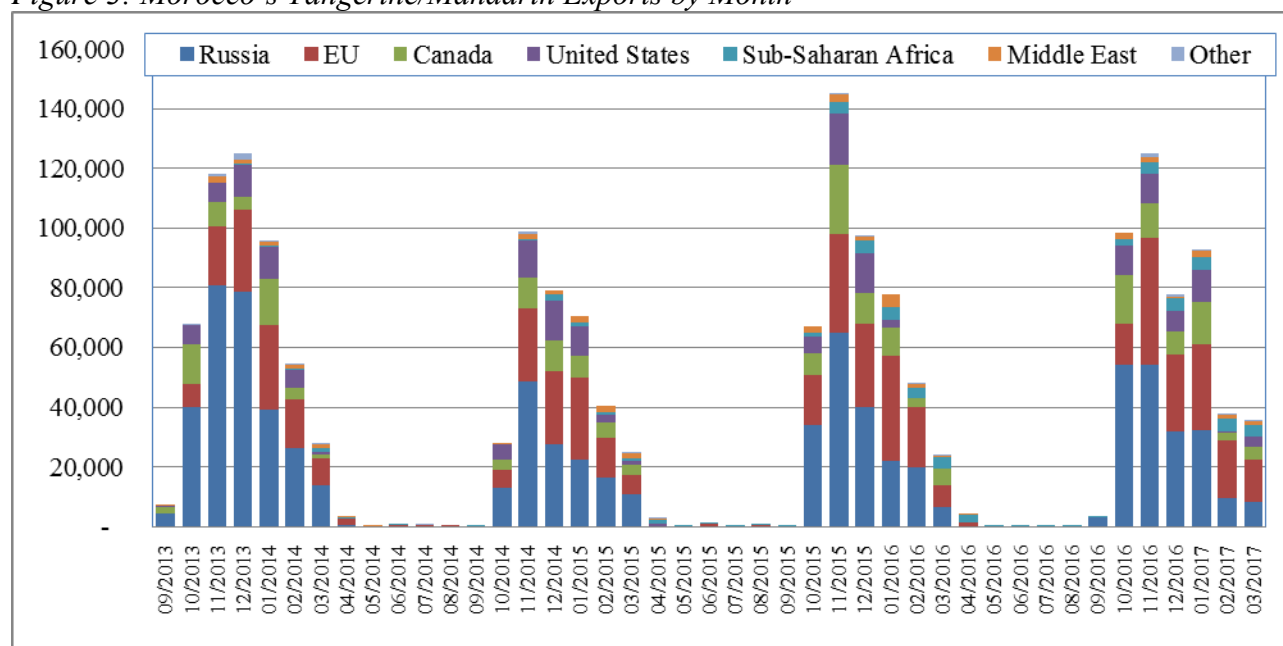
Trade: Post changed the PSD marketing year from Oct-Sep to Sep-Aug to better align early season production and exports, as evidenced in MY 2013/14 and again in MY 2016/17. Post holds the MY 2016/17 exports of tangerine/mandarin at 510,000 MT, based on exports to date, noting a particularly strong March 2017. Notably, Sub-Saharan Africa continues to grow as an increasingly dependable export destination. MedFly problems in the Berkane region again disrupted exports in MY 2016/17, including specifically to the United States, as best evidenced by February 2017 customs figures. MY 2014/15 and MY 2013/14 exports were updated to reflect official Moroccan customs data.

Table 1: Morocco's Tangerine/Mandarin Exports by Destination (MT)

| Partner Country | 2013/14 | 2014/15 | 2015/16 | 2015/16 Sep-Mar | 2016/17 Sep-Mar | % Change |
|--------------------|----------------|----------------|----------------|--------------------|--------------------|-----------|
| Russia | 284,041 | 139,339 | 187,801 | 187,575 | 193,290 | 3% |
| EU | 112,416 | 104,057 | 141,516 | 140,414 | 144,093 | 3% |
| Canada | 48,080 | 40,155 | 58,884 | 58,884 | 56,610 | -4% |
| United States | 41,542 | 45,015 | 38,550 | 38,550 | 41,173 | 7% |
| Sub-Saharan Africa | 3,360 | 8,373 | 25,328 | 21,226 | 23,816 | 12% |
| Middle East | 8,025 | 8,958 | 12,340 | 12,176 | 8,684 | -29% |
| Other | 3,449 | 1,024 | 976 | 976 | 2,680 | 175% |
| Total | 500,913 | 346,921 | 465,395 | 459,801 | 470,346 | 2% |

Source: Office des Changes

Figure 3: Morocco's Tangerine/Mandarin Exports by Month



Source: Office des Changes

Consumption: Post lowers its MY 2016/17 domestic consumption estimate for tangerines/mandarins to 768,000 MT, based on available remaining supplies.

Production, Supply & Distribution:

| Tangerines/Mandarins, Fresh | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|-------------------------------------|---------------|----------|---------------|----------|---------------|----------|
| Market Begin Year | Sep 2014 | | Sep 2015 | | Sep 2016 | |
| Morocco | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Planted | 60,227 | 60,227 | 62,181 | 62,181 | 63,420 | 63,420 |
| Area Harvested | 47,140 | 47,140 | 50,100 | 50,100 | 55,167 | 55,167 |
| Bearing Trees | 19,300 | 19,300 | 19,700 | 19,700 | 19,800 | 19,800 |
| Non-Bearing Trees | 6,412 | 6,412 | 6,610 | 6,610 | 6,730 | 6,730 |
| Total No. Of Trees | 25,712 | 25,712 | 26,310 | 26,310 | 26,530 | 26,530 |
| Production | 1,003 | 1,003 | 1,065 | 1,065 | 1,325 | 1,278 |
| Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Supply | 1,003 | 1,003 | 1,065 | 1,065 | 1,325 | 1,278 |
| Exports | 414 | 346 | 481 | 465 | 510 | 510 |
| Fresh Dom. Consumption | 589 | 657 | 584 | 600 | 815 | 768 |
| For Processing | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution | 1,003 | 1,003 | 1,065 | 1,065 | 1,325 | 1,278 |
| (HECTARES) ,(1000 TREES) ,(1000 MT) | | | | | | |

Oranges, Fresh

Production: According to industry, MY 2016/17 production reached 1,037,000 MT.

Figure 4: Morocco Orange Area

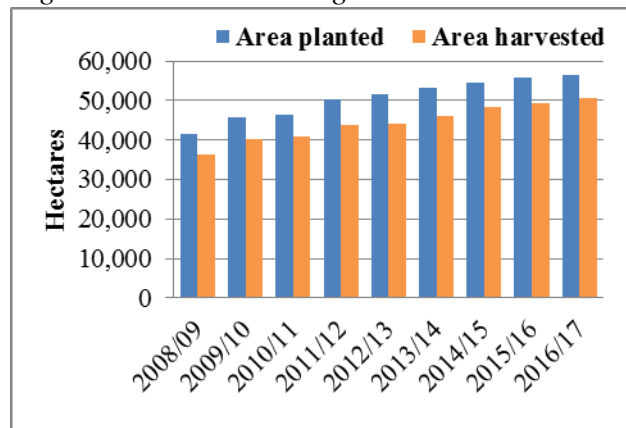
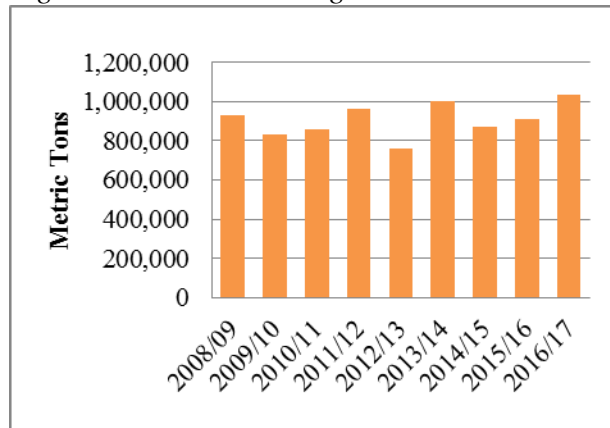


Figure 5: Morocco Orange Production



Source: MoA (2008/09-2014/15), Maroc Citrus (2015/16-2016/17)

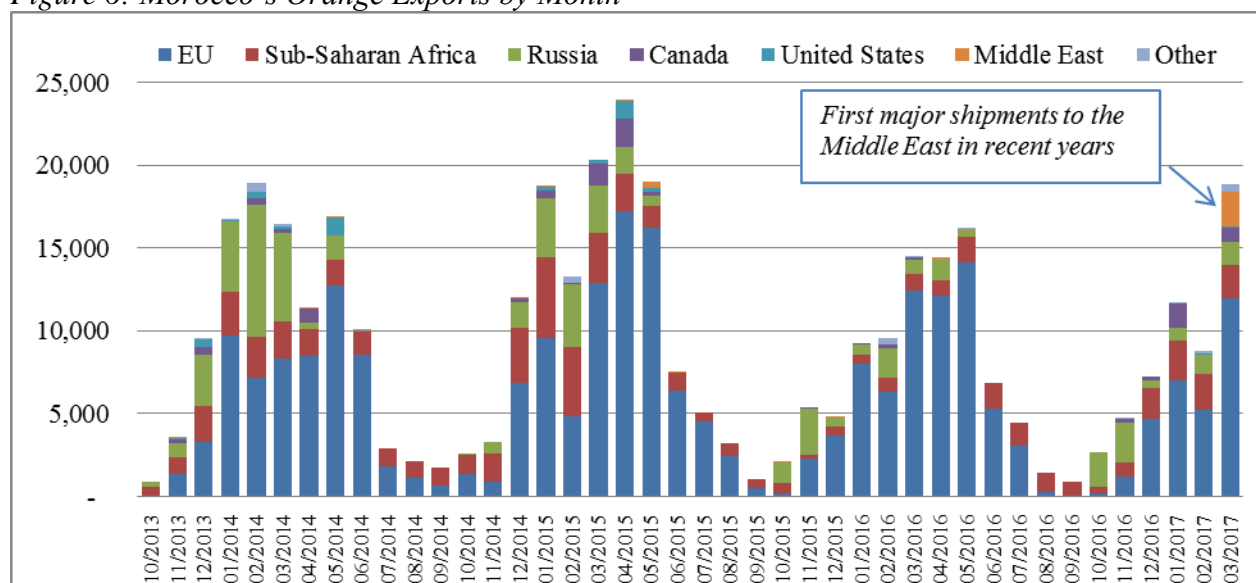
Trade: Post holds its MY 2016/17 estimate for exports at 120,000 MT. However, notably, Morocco has shifted increased shipments to the Middle East and Sub-Saharan Africa. MY 2015/16 exports are updated to reflect official customs data.

Table 2: Morocco's Orange Exports by Destination (MT)

| Partner Country | 2013/14 | 2014/15 | 2015/16 | 2015/16 Oct-Mar | 2016/17 Oct-Mar | % Change |
|--------------------|----------------|----------------|---------------|--------------------|--------------------|------------|
| EU | 63,251 | 83,764 | 67,870 | 32,925 | 30,304 | -8% |
| Sub-Saharan Africa | 18,911 | 24,764 | 11,237 | 3,779 | 9,812 | 160% |
| Russia | 23,669 | 14,721 | 9,524 | 7,819 | 8,189 | 5% |
| Canada | 2,281 | 4,114 | 562 | 562 | 2,766 | 392% |
| Middle East | 364 | 610 | 232 | 50 | 2,101 | 4102% |
| United States | 2,076 | 1,813 | - | - | 132 | 0% |
| Other | 880 | 416 | 380 | 355 | 650 | 83% |
| Total | 111,432 | 130,202 | 89,805 | 45,490 | 53,954 | 19% |

Source: Office des Changes

Figure 6: Morocco's Orange Exports by Month



Source: Office des Changes

Consumption:

For Processing: Post updates the MY 2015/16 and MY 2016/17 estimates for processing based on trade and consumption of orange juice (see below).

Fresh Domestic Consumption: Post increases its fresh domestic consumption estimate for MY 2015/16 and MY 2016/17, based on available remaining supplies.

Production, Supply & Distribution:

| Oranges, Fresh | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|-------------------------------------|---------------|----------|---------------|----------|---------------|----------|
| Market Begin Year | Oct 2014 | | Oct 2015 | | Oct 2016 | |
| Morocco | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Planted | 54,536 | 54,536 | 55,804 | 55,804 | 57,040 | 57,040 |
| Area Harvested | 48,067 | 48,067 | 50,100 | 50,100 | 52,185 | 52,185 |
| Bearing Trees | 16,800 | 16,800 | 16,850 | 16,850 | 16,900 | 16,900 |
| Non-Bearing Trees | 1,500 | 1,500 | 1,540 | 1,540 | 1,585 | 1,585 |
| Total No. Of Trees | 18,300 | 18,300 | 18,390 | 18,390 | 18,485 | 18,485 |
| Production | 868 | 868 | 925 | 925 | 960 | 1,037 |
| Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Supply | 868 | 868 | 925 | 925 | 960 | 1,037 |
| Exports | 130 | 130 | 92 | 89 | 120 | 120 |
| Fresh Dom. Consumption | 688 | 688 | 778 | 801 | 778 | 867 |
| For Processing | 50 | 50 | 55 | 35 | 62 | 50 |
| Total Distribution | 868 | 868 | 925 | 925 | 960 | 1,037 |
| (HECTARES) ,(1000 TREES) ,(1000 MT) | | | | | | |

Orange Juice

Production: Having no official or industry estimates, Post adjusts the MY 2015/16 and 2016/17 estimates to reflect needed supplies to meet demand after accounting for official trade.

Trade: Post has changed its methodology to reflect imports and exports on a 65° brix basis.

Table 3: Morocco's Orange Juice Imports (MT)

| Product | 2013/14 | 2014/15 | 2015/16 | 2015/16 Oct-Mar | 2016/17 Oct-Mar | % Change |
|-----------------------------|--------------|--------------|--------------|--------------------|--------------------|------------|
| 2009.11: Frzn | 829 | 333 | 1,957 | 740 | 544 | -26% |
| 2009.12: Not Frzn, ≤20 Brix | 3 | 1 | 13 | 1 | 1 | 1.4% |
| 2009.19: Not Frzn, Other | 2,087 | 1,050 | 1,244 | 55 | 398 | 624% |
| Total (65° Basis) | 2,919 | 1,384 | 3,213 | 796 | 944 | 18% |

Source: GTA

Table 4: Morocco's Orange Juice Exports (MT)

| Product | 2013/14 | 2014/15 | 2015/16 | 2015/16 Oct-Mar | 2016/17 Oct-Mar | % Change |
|-----------------------------|--------------|--------------|--------------|--------------------|--------------------|------------|
| 2009.11: Frzn | 252 | 982 | 739 | 212 | 324 | 53% |
| 2009.12: Not Frzn, ≤20 Brix | 11 | 66 | 11 | 7 | 130 | 1,886% |
| 2009.19: Not Frzn, Other | 3,969 | 2,568 | 2,156 | 874 | 1,496 | 71% |
| Total (65° Basis) | 4,232 | 3,616 | 2,906 | 1,093 | 1,950 | 78% |

Source: GTA

Consumption: Post is attempting to hold per capita consumption of industrial orange juice around 100-120 kg/yr on a 65° brix basis. According to industry reports, Morocco's total consumption of all industrial juice is roughly 50 million liters (52,500 MT ≈ 9,700 MT @ 65°), of which 20 million liters (21,000 MT ≈ 3,900 MT @ 65°) comes from local processing.

Production, Supply & Distribution:

| Orange Juice (65° Basis) | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|-----------------------------|------------------|-------------|------------------|-------------|------------------|-------------|
| Market Begin Year | Oct 2014 | | Oct 2015 | | Oct 2016 | |
| Morocco | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Deliv. To Processors | 50,000 | 50,000 | 55,000 | 25,000 | 62,000 | 50,000 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 5,000 | 5,000 | 5,000 | 2,500 | 5,500 | 5,000 |
| Imports | 3,000 | 1,384 | 3,238 | 3,213 | 3,000 | 2,500 |
| Total Supply | 8,000 | 6,384 | 8,238 | 5,713 | 8,500 | 7,500 |
| Exports | 3,091 | 3,616 | 2,946 | 2,906 | 3,000 | 4,500 |
| Domestic Consumption | 4,909 | 2,768 | 5,292 | 2,807 | 5,500 | 3,000 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution | 8,000 | 6,384 | 8,238 | 5,713 | 8,500 | 7,500 |
| (MT) | | | | | | |

Lemons/Lime, Fresh

Production: Industry reports lemon production totaled 40,000 million MT for MY 2016/17.

Trade: MY 2016/17 lemon exports are revised up from 10,000 MT to 12,000 MT based on trade-to-date.

Table 5: Lemon/Lime Exports (MT)

| Partner Country | 2013/14 | 2014/15 | 2015/16 | 2015/16 Oct-Mar | 2016/17 Oct-Mar | % Change |
|-----------------|---------------|--------------|--------------|--------------------|--------------------|-----------|
| Russia | 4,411 | 2,978 | 3,737 | 3,636 | 6,584 | 81 |
| Canada | 827 | 1,052 | 82 | 82 | 875 | 962 |
| EU | 1,527 | 1,272 | 3,197 | 1,278 | 710 | -44 |
| United States | 417 | 46 | 0 | 0 | 0 | n/a |
| Other | 7,821 | 2,135 | 2,051 | 1,399 | 2,315 | 65 |
| Total | 15,003 | 7,483 | 9,067 | 6,395 | 10,484 | 64 |

Source: GTA

Consumption: Post updates the MY 2016/17 consumption estimate to reflect available supply.

Production, Supply & Distribution:

| Lemons/Limes, Fresh | 2014/2015 | | 2015/2016 | | 2016/2017 | |
|-------------------------------------|------------------|-------------|------------------|-------------|------------------|-------------|
| Market Begin Year | Oct 2014 | | Oct 2015 | | Oct 2016 | |
| Morocco | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Planted | 3,235 | 3,235 | 3,750 | 3,750 | 3,820 | 3,820 |
| Area Harvested | 2,800 | 2,800 | 2,920 | 2,920 | 2,950 | 2,950 |
| Bearing Trees | 1,500 | 1,500 | 1,550 | 1,550 | 1,560 | 1,560 |
| Non-Bearing Trees | 325 | 325 | 335 | 335 | 375 | 375 |
| Total No. Of Trees | 1,825 | 1,825 | 1,885 | 1,885 | 1,935 | 1,935 |
| Production | 30 | 30 | 35 | 35 | 36 | 40 |
| Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Supply | 30 | 30 | 35 | 35 | 36 | 40 |
| Exports | 7 | 7 | 9 | 9 | 10 | 12 |
| Fresh Dom. Consumption | 23 | 23 | 26 | 26 | 26 | 28 |
| For Processing | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Distribution | 30 | 30 | 35 | 35 | 36 | 40 |
| | 0 | 0 | 0 | 0 | 0 | 0 |
| (HECTARES) ,(1000 TREES) ,(1000 MT) | | | | | | |