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Morocco

Grain and Feed Update

Another Successful U.S. Common Wheat Tender

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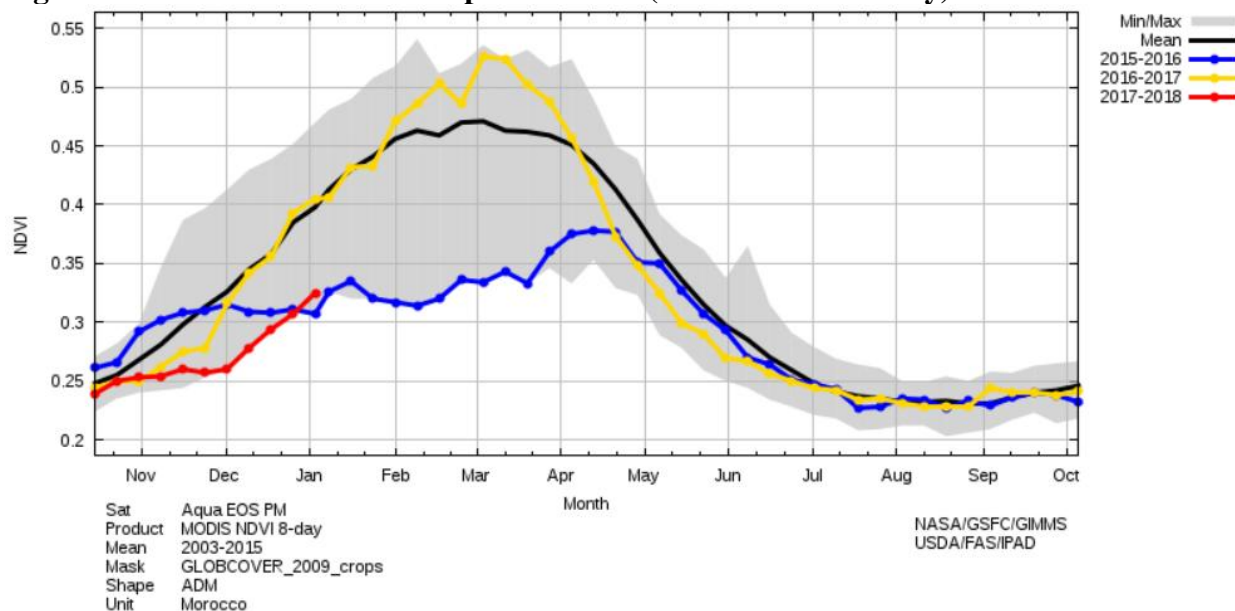
Report Highlights:

Following a fully successful tender for US wheat in late 2017 and in the midst of a difficult growing season, Morocco fully committed to its common wheat tender with the European Union at 363,636 MT and nearly fully committed to the US wheat tender at 315,000 MT. No significant changes are made to the PSD balance sheets aside from accepting official year-end trade data while adjusting trade figures to account for wheat products.

Crop Update

The 2018 wheat season started very late, due to widespread rain delays, and some areas did not finish sowing until late December 2017. According to press reports, Morocco's High Commission for Planning's January survey indicated that mid-December 2017 water reserves for agricultural use were at their lowest levels of the last six crop years – 32%. At present, industry analysts are projecting wheat production to come in at a range of 3.0-5.5 MMT. Post's estimate for MY2018/19 will be published in its Grain & Feed Annual report in March 2018.

Figure 1: Morocco – Relative Crop Conditions (MODIS NDVI 8-day)



Source: USDA/FAS/IPA Division -Cropland Data Drilling from MODIS NDVI Imagery

Policy Updates:

Since the September update, Morocco issued a successful tender for US wheat in Oct/Nov 2017 (See: [US Common Wheat TRQ Fully Allocated in 2017](#)) for deliveries by December 31, 2017 as well as tenders for US and EU wheat for deliveries by May 31, 2018 (See: [US and EU Wheat Tenders Issued](#)) – the results of which were published January 8-9, 2018, and are noted in the below table.

Origin/Product	Tender Opens	Tender Closes	Tender Volume (MT)	Tender Results (MT)	For Delivery No Later Than
United States					
Common Wheat	Dec. 11, 2017	Jan. 8, 2018	363,636	315,000*	May 31, 2018
Durum Wheat	Dec. 11, 2017	Jan. 8, 2018	336,364	0	May 31, 2018
European Union					
Common Wheat	Dec. 11, 2017	Jan. 9, 2018	363,636	363,636*	May 31, 2018
Durum Wheat	Dec. 11, 2017	Jan. 9, 2018	45,455	0	May 31, 2018

* Importer commitment permitted to be +/- 10% of the auction result.

Source: ONICL's [link](#) to U.S. result and [link](#) to EU result

In Morocco's [2018 Finance Law](#), the government has lowered the MFN duty to 2.5% for a new, to-be-confirmed quota volume of imported "biscuit wheat" to support industrial manufacturers of cookies, crackers, cakes, wafers, etc. Press reports indicate the volume will be set at 40,000 MT.

Trade Updates:

Wheat

Post revised its forecast for Morocco's MY2017/18 wheat imports from the U.S. from 10,000 MT to 345,000 MT. This change is based on the result of the most recent two tenders. Post also updates MY and TY import and export numbers in 2015/16 and 2016/17, based on final official trade data and taking into consideration trade of wheat products.

Barley

Post maintains its estimate for MY2017/18 (No changes). For MY 2016/17, post updates MY and TY imports based on final official trade figures.

Production, Supply and Distribution:

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

Wheat	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jun 2015		Jun 2016		Jun 2017	
Morocco	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	3,308	3,308	2,413	2,413	3,321	3,321
Beginning Stocks	4,281	4,281	6,856	6,847	4,544	4,803
Production	8,064	8,064	2,731	2,731	6,250	6,250
MY Imports	4,429	4,400	5,215	5,479	4,800	4,800
TY Imports	4,503	4,496	5,191	5,344	4,800	4,800
TY Imp. from U.S.	20	10	910	882	0	345
Total Supply	16,774	16,745	14,802	15,057	15,594	15,853
MY Exports	118	98	58	54	100	100
TY Exports	111	111	57	57	100	100
Feed and Residual	800	800	800	800	800	800
FSI Consumption	9,000	9,000	9,400	9,400	9,500	9,500
Total Consumption	9,800	9,800	10,200	10,200	10,300	10,300
Ending Stocks	6,856	6,847	4,544	4,803	5,194	5,453
Total Distribution	16,774	16,745	14,802	15,057	15,594	15,853
Yield	2.4377	2.4377	1.1318	1.1318	1.882	1.882
Stocks/Use Ratio	0.700	0.699	0.445	0.471	0.504	0.529
(1000 HA) ,(1000 MT) ,(MT/HA)						

* MY used for wheat June-May, ** TY used for wheat July-June

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

Barley	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
Morocco	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2,064	2,064	1,208	1,208	1,800	1,800
Beginning Stocks	387	387	1,259	1,259	147	158
Production	3,400	3,400	620	620	2,000	2,000
MY Imports	822	822	468	479	500	500
TY Imports	958	939	358	407	500	500
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	4,609	4,609	2,347	2,358	2,647	2,658
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	2,150	2,150	1,450	1,450	1,650	1,650
FSI Consumption	1,200	1,200	750	750	800	800
Total Consumption	3,350	3,350	2,200	2,200	2,450	2,450
Ending Stocks	1,259	1,259	147	158	197	213
Total Distribution	4,609	4,609	2,347	2,358	2,647	2,663
Yield	1.6473	1.6473	0.5132	0.5132	1.1111	1.1111
Stocks/Use Ratio	0.376	0.376	0.067	0.072	0.080	0.087
(1000 HA) ,(1000 MT) ,(MT/HA)						

* MY used for barley July-June, ** TY used for barley October-September

Annex:

Morocco – Wheat and Products Imports by (MY)

HS	Description	Marketing Year		Year To Date		
		2015/2016	2016/2017	06/16 - 10/16	06/17 - 10/17	% Change
1001	Wheat And Meslin	4,383,586	5,462,855	1,552,135	343,198	-77.89
1101*	Wheat Or Meslin Flour	331	484	190	162	-14%
190219*	Pasta, Uncooked, Not Stuffed Etc., Nesoi	13,374	12,859	4,439	5,755	30%
190230*	Pasta, Prepared Nesoi	3,034	2,632	1,324	671	-49%
190240*	Couscous	4	3	-	2.74	
Total		4,400,329	5,478,833	1,558,089	349,790	-78%

Source: Morocco office de change, *applied converting factor: 1.368, MY used for wheat June-May

Morocco – Wheat and Products Imports by (TY)

HS	Description	Trade Year		Year To Date		
		2015/2016	2016/2017	07/16 - 10/16	07/17 - 10/17	% Change
1001	Wheat And Meslin	4,479,057	5,328,568	1,412,598	337,948	-76.08
1101*	Wheat Or Meslin Flour	336	474	155	136	-12%
190219*	Pasta, Uncooked, Not Stuffed Etc., Nesoi	13,038	12,258	3,343	5,259	57%
190230*	Pasta, Prepared Nesoi	3,400	2,404	867	440	-49%
190240*	Couscous	4	3	0	2	-
Total		4,495,837	5,343,709	1,416,965	343,788	-76%

Source: Morocco office de change, *applied converting factor: 1.368, TY used for wheat July-June

Morocco – Wheat and Products Exports by (MY)

HS	Description	Marketing Year		Year To Date		
		2015/2016	2016/2017	06/16 - 10/16	06/17 - 10/17	% Change
1101	Wheat Or Meslin Flour	56,109	12,018	7,393	2,833	-62%
1001*	Wheat And Meslin	55	568	219	-	-100%
190219*	Pasta, Uncooked, Not Stuffed Etc., Nesoi	4,577	6,260	2,839	3,393	20%
190230*	Pasta, Prepared Nesoi	5,222	3,350	1,580	1,560	-1%
190240*	Couscous	31,651	32,004	10,904	10,497	-4%
Total		97,614	54,200	22,935	18,282	-20%

Source: Morocco office de change, *applied converting factor: 1.368, MY used for wheat June-May

Morocco – Wheat and Products Exports by (TY)

HS	Description	Trade Year		Year To Date		
		2015/2016	2016/2017	07/16 - 10/16	07/17 - 10/17	% Change
1001	Wheat And Meslin	40	415	160	-	-100%
1101*	Wheat Or Meslin Flour	67,917	15,881	8,699	3,021	-65%
190219*	Pasta, Uncooked, Not Stuffed Etc., Nesoi	5,625	5,725	1,710	2,798	64%
190230*	Pasta, Prepared Nesoi	5,260	3,501	1,435	1,264	-12%
190240*	Couscous	31,854	31,271	7,536	7,863	4%
Total		110,696	56,793	19,540	14,945	-24%

Source: Morocco office de change, *applied converting factor: 1.368, TY used for wheat July-June