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Date: 9/28/2016

GAIN Report Number: MO1628

Morocco

Grain and Feed Update

2016

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Report Highlights:

Morocco is currently experiencing a severe drought, which has caused grain production to fall 70 percent from the previous year. The Ministry of Agriculture announced final cereal production for MY2016/17 at 3.35 million MT. On September 20-21, Morocco filled tenders for 235,000 MT of U.S. wheat under the TRQ. Morocco is soliciting bids for a further 303,637 MT of U.S. wheat.

General Information:

The Moroccan Ministry of Agriculture announced final cereal production for MY2016/17 at 3.35 million MT, a 70 percent decline from the previous year. This production was comprised of 1.86 million MT of soft wheat, 0.87 million MT of durum wheat, and 0.62 million MT of barley. The decline in production was due to poor rains that delayed planting activities, reduced the area sown and significantly lowered yields throughout most of the grain producing regions.

Table 1: Morocco's grain production in million MT

Marketing Crop	Year	Durum Wheat	Common Wheat	Total. Wheat	Barley	Total Production
2009/2010		2.1	4.3	6.4	3.8	10.2
2010/2011		1.6	3.2	4.8	2.5	7.3
2011/2012		1.8	4.1	5.9	2.3	8.2
2012/2013		1.1	2.7	3.8	1.2	5
2013/2014		1.9	5.1	7	2.7	9.7
2014/2015		1.4	3.7	5.1	1.7	6.8
2015/2016		2.4	5.6	8	3.5	11.5
2016/2017		0.87	1.86	2.73	0.62	3.35

Source: Ministry of Agriculture

Morocco is currently experiencing a severe drought, which began in October 2015. In an effort to head off rising wheat prices and avoid possible shortages, the Government of Morocco (GOM) lowered import tariff on common wheat from 75 percent to 30 percent in late 2015. This move served to keep domestic prices at around 2,588 MAD (\$263) per metric ton. In order to secure adequate wheat supply, while at the same time keeping imports in check, Morocco has increased import tariff to 65 percent, as of June 15, 2016. This move aims to safeguard local industry and keep consumer prices unchanged.

In an effort to encourage local wheat production and increase local supply, the GOM has also been working to increase the quantity of land under irrigation as well as expanding access to crop insurance among farmers, and preserving seeds that will be provided to farmers for the next growing season.

Wheat tenders launched:

On September 20 and 21, 2016 the Cereals Office (ONCIL), under the Ministry of Agriculture, solicited bids from importers for licenses to import wheat under the U.S. and E.U. tariff rate quotas (TRQ). The table below summarizes the request and result for bids for the two origins:

Origin	Tender Date	Bids Opening Date	Quantity Tendered (MT)	Quantity Offered by Importers (MT)	Quantity Retained (MT)	Delivery Period
U.S.	Sept. 5, 2016	Sept. 20, 2016	300,000	235,000	235,000	by Dec. 31, 2016
E.U.	Sept. 6, 2016	Sept. 21, 2016	300,000	310,000	310,000	by Dec. 31, 2016

Source: ONICL

On September 28, 2016, ONCIL again issued a tender for U.S. wheat under the TRQ. Buyers are expected to provide offers for up to 303,637 MT of U.S. soft white wheat when bids open on October 5, 2016.

Production, Supply and Demand:

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

Wheat Market Begin Year Morocco	2014/2015		2015/2016		2016/2017	
	Jun 2014		Jun 2015		Jun 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	3,060	3,060	3,200	3,200	2,109	2,109
Beginning Stocks	4,321	4,321	4,269	4,269	6,780	6,719
Production	5,100	5,100	8,000	8,000	2,800	2,761
MY Imports	4,086	4,086	4,429	4,500	5,000	5,000
TY Imports	4,086	4,086	4,503	4,500	5,000	5,000
TY Imp. from U.S.	10	10	20	9	-	235
Total Supply	13,507	13,507	16,698	16,769	14,580	14,480
MY Exports	238	238	118	250	250	250
TY Exports	224	224	109	250	250	250
Feed and Residual	400	400	800	800	800	800
FSI Consumption	8,600	8,600	9,000	9,000	9,400	9,300
Total Consumption	9,000	9,000	9,800	9,800	10,200	10,100
Ending Stocks	4,269	4,269	6,780	6,719	4,130	4,130
Total Distribution	13,507	13,507	16,698	16,769	14,580	14,480

(1000 HA) ,(1000 MT)

Source: FAS/PSD

Production, Supply and Demand:

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

Barley Market Begin Year Morocco	2014/2015		2015/2016		2016/2017	
	Jul 2014		Jul 2015		Jul 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,440	1,440	1,600	1,600	1,135	1,135
Beginning Stocks	975	975	371	376	1,233	1,076
Production	1,700	1,700	3,495	3,500	900	620
MY Imports	396	400	817	200	850	900
TY Imports	276	300	900	200	1,000	900
TY Imp. from U.S.	14	-	-	-	-	-
Total Supply	3,071	3,075	4,683	4,076	2,983	2,596
MY Exports	-	-	-	-	-	-
TY Exports	-	-	-	-	-	-
Feed and Residual	1,700	1,700	2,250	2,000	1,750	1,500
FSI Consumption	1,000	1,000	1,200	1,000	950	753
Total Consumption	2,700	2,700	3,450	3,000	2,700	2,253
Ending Stocks	371	376	1,233	1,076	283	343
Total Distribution	3,071	3,076	4,683	4,076	2,983	2,596
(1000 HA) ,(1000 MT)						

Source: FAS/PSD