



USDA Foreign Agricultural Service

# GAIN Report

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## Morocco

### Grain and Feed

### Update - Final production figures for Morocco

### 2004

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**Report Highlights:**

The Ministry of Agriculture published final figures for grain production for 2003/2004. Bread wheat production is estimated at 3.5 MMT. U.S. wheat should enjoy a 280,000 MT TRQ once the Moroccan Parliament ratifies the recently negotiated Free Trade Agreement. The FTA is scheduled for implementation in January 2005.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Rabat [MO1]  
[MO]

### PS&D Figures Virtually Unchanged

The Ministry of Agriculture issued final estimates for grain production in Morocco. Bread wheat (non-durum) wheat production at 3.53 MMT is virtually unchanged compared to the early estimates provided by the Ministry in May 2004 and to forecast provided by AgRabat in March 2004. Final estimates for durum wheat and barley are also very close to the earlier estimates. Thus, no significant changes have been made to the wheat and barley PS&D.

### Localized Sprout Damage in the Gharb Area

This year Morocco received significant rain during harvest which resulted in sprout damage especially in Gharb region, one of largest wheat producing areas (vicinity Sidi Kacem). The Province of Sidi Kacem accounted this year for 10 percent of the total wheat production (durum and bread wheat) in 2003/2004 but the sprout damages, although significant this year, is believed to be manageable and is not likely to result in special imports for blending purposes. Reportedly, the price of sprouted wheat has been very low.

### Morocco-US FTA Increase Export Opportunity

While the Morocco-US FTA is being examined by the various Moroccan Authorities before entering into force, the opportunities opened by the FTA for U.S. wheat are significant and immediate. Under FTA, Morocco will grant the United States two tariff rate quotas:

- 1) A tariff rate quota of 250,000 MT for durum wheat to increase 10,000 MT per year. The in quota tariff will be 25 percent below the prevailing rate for the first five years. Currently durum wheat is subject to a base duty of 95 percent on the first part of the price (less or equal to 1,000 dirhams/MT) and to 2.5 percent for the part of the price above 1000 dirhams/MT (see MO4009 for details on duties).

Durum Wheat Imports  
Calendar Year, 1000 MT

	1998	1999	2000	2001	2002	2003*
From All Countries	454.9	496.4	614.3	654.5	589.2	516.0
From the U.S.	138.6	109.1	28.0	15.8	18.1	90.6
U.S. Share %	30.5	22.0	4.6	2.4	3.1	17.6

Source: Official Moroccan Trade Data

\* 11 months.

- 2) A tariff rate quota that depends on the local production for non-durum wheat. During the first year of the agreement, if the production is above 3.0 MMT the quota for the United States is 280,000 MT. If the production is less 2.1, the tariff rate quota would be 700,000 MT.

Moroccan non-durum wheat imports  
Calendar Year, 1000 MT

	1998	1999	2000	2001	2002	2003*
From All Origins	2,117	2,292	2,816	2,369	2,640	1,329
From the U.S.	68	239	329	215	32	31

U.S. Share %	3.2	10.4	11.7	9.1	1.2	2.4
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Source: Official Moroccan Trade Data

\* 11 months.

The United States was granted a 38 percent reduction of MFN rate that was prevailing during negotiations (135%). Meanwhile Morocco decreased its tariffs on bread wheat to 55 percent and increased them back to 100 percent on June 2004 (see MO4009). The FTA has provision to increase this duty reduction for the United States to keep preference if Morocco reduces the MFN tariff.

#### **EU / U.S. Wheat TRQs Management under FTA**

The Cereal Office is expected to tender soon (probably by beginning of October 2004) for the first purchases under the Morocco-EU quota. The procedure of selecting eligible importers to benefit from the preferential access for EU wheat is expected to be published shortly and will likely also be used as a model for attributing quota for United States.

## PSD Table, Morocco Wheat (1000 HA)(1000 MT)

Market Year Begin	2002 Revised Post		2003 Estimate		2004 Forecast	
	USDA Official [Old]	Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
	07/2002		07/2003		07/2004	
Area Harvested	2626	2626	2989	2989	3000	3064
Beginning Stocks	1488	1488	1166	1235	2163	1615
Production	3357	3357	5147	5147	5300	5500
TOTAL Mkt. Yr. Imports	2720	2995	2400	1900	2200	1500
Jul-Jun Imports	2720	2995	2400	1900	2200	1500
Jul-Jun Import U.S.	62	44	402	500	0	600
TOTAL SUPPLY	7565	7840	8713	8282	9663	8615
TOTAL Mkt. Yr. Exports	179	179	150	100	150	150
Jul-Jun Exports	179	179	150	100	150	150
Feed Dom. Consumption	200	0	200	0	200	0
TOTAL Dom. Consumption	6220	6426	6400	6567	6800	6600
Ending Stocks	1166	1235	2163	1615	2713	1865
TOTAL DISTRIBUTION	7565	7840	8713	8282	9663	8615

## PSD Table, Morocco BARLEY (1000 HA)(1000 MT)

Market Year Begin	2002 Revised Post		2003 Estimate		2004 Forecast	
	USDA Official [Old]	Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
	07/2002		07/2003		07/2004	
Area Harvested	2002	2002	2267	2267	2300	2324
Beginning Stocks	220	220	225	253	645	613
Production	1669	1669	2620	2620	2600	2760
TOTAL Mkt. Yr. Imports	336	364	100	140	150	100
Oct-Sep Imports	156	178	150	140	150	100
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	2225	2253	2945	3013	3395	3473
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	1300	1350	1400	1400	1500	1500
TOTAL Dom. Consumption	2000	2000	2300	2400	2500	2600
Ending Stocks	225	253	645	613	895	873
TOTAL DISTRIBUTION	2225	2253	2945	3013	3395	3473