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Morocco

Citrus

Annual

2005

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Report Highlights:

Total citrus production is forecast at the same level as last year but fresh orange exports are forecast to increase because of anticipated better quality this year. The anticipated increase of late orange varieties export will have to be taken with caution since the weather during the winter and early spring can still affect production significantly.

After the closing of the sole concentrate producer, FRUMAT, Morocco became a net importer of juice and concentrate and is likely to remain so in the future.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Rabat [MO1]
[MO]

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Production

Morocco's citrus production is expected to be at about the same level as last year i.e. 1.2 MMT. Exports are forecast to increase compared to last year due to an anticipated increase in exports of late producing orange varieties (namely Maroc Late). Presumably, the quality of the orange varieties should be much better this year due to the relatively mild temperatures that prevailed during the summer especially in the key production area of Agadir.

The exceptionally cold weather last year that prevailed throughout Morocco affected the quality of fruit and resulted in significantly smaller exports than had been anticipated especially for the late orange varieties (Maroc-Late).

The production forecast figures are issued by the Moroccan Citrus Producers' Association (ASPAM) and are to be taken as subjective indications that can be revised significantly (especially for the late orange varieties such as Maroc Late) depending on the weather conditions that prevail during the winter and early spring.

	Production			Exports	
	2004/2005	2005/2006		2004/2005	2005/2006
	Rev.	Forec.		Rev.	Forec.
Orange	813.0	810.0		236.5	350.0
Maroc Late	460.0	470.0		135.5	235.0
Navels	250.0	230.0		39.3	50.0
Bloody Oranges	50.0	60.0		32.2	36.0
Salutiana	46.5	40.0		29.5	24.0
Others	6.5	10.0		-	5.0
Small Citrus Fruit	442.9	425.0		252.7	255.0
Clementine and Nour	393.0	380.0		232.8	230.0
Ortanique	17.2	15.0		8.4	8.0
Afourer	14.2	12.0		6.0	6.0
Nova	12.5	15.0		3.9	8.0
Fortune	1.0	1.0		-	-
Others	5.0	2.0		1.6	3.0
Lemon	25.0	25.0		-	-
Other Citrus	1.0	4.0		1.0	2.0
Total Citrus	1,281.9	1,264.0		490.2	607.0

Source: ASPAM (production figures), EACCE (Export Figures)

There are still no signs that the Moroccan citrus production is going to increase significantly in spite of the government and producers' organizations ambitious plans to expand planted area, revert to new varieties, and replace old orchards. Souss producers face serious water shortages that increase their cost of production considerably. In the Gharb area (vicinity of Kenitra), orchard trees are old with no significant replanting being carried out by farmers. So, although, there might be an increase in planting in some years, the average

yearly planting over a long period has been below what was initially agreed upon as the minimum to maintain adequate growth of citrus production. Eventually, the low planting suggests that Morocco might be unable to even fulfill the increasing local demand for some varieties of citrus in the future. In fact, in recent year, clementine and orange prices increased significantly in the local market and caused the closing of the sole Moroccan citrus concentrate producer because of the lack of adequate fruit supply.

Trade

Provided adequate weather conditions, exports of citrus are expected to increase to reflect the anticipated better quality of oranges this year. The traditional EU countries (taken as a group) will continue to be the main outlet for Morocco in spite of the downward trend over the past few years because of the emphasis on the Russian market. The proximity of the EU market, the high prices paid by European consumers, and more importantly, the preferential access given to Moroccan citrus fruit under the Morocco-EU free trade agreement (see MO0028) are appealing to Moroccan exporting groups. The non- EU markets, commonly known in Morocco as "Contract Markets", including Russia, Saudi Arabia, and Canada account each year for over a third of Morocco's fresh citrus exports. For these markets, each year, arrangements are made between importers and Moroccan exporters to ship agreed-upon quantities and quality of fruit.

Long-term prospects for fresh citrus exports are grim: Local production can hardly keep up with the increasing demand from both export and local markets. Morocco did not fill the duty-free quota granted by the EU for clementines (168,000 MT) and oranges (326,000 MT). Prices in the local market have reached a level so that many farmers see a benefit in selling to the local market and avoid risks and delays in payment when exporting. Also, the decline in the EU share in Morocco's agricultural exports indicate that some exporting groups have more difficulties to comply with increasingly complex EU industry standards and requirements. This explains partly why more emphasis has been given in recent years to exporting to less stringent non-EU countries. The Eastern-European markets in particular (Russia) have been generally buying lower quality, cheaper fruit that would be less suitable for the EU market.

Today, there are no Moroccan standards for organic products and exports of organic citrus (as controlled and certified by European firms) did not exceed 1,000 MT last year.

Processed Citrus

Since FRUMAT, the sole concentrate producer in Morocco, went bankrupted last year, Morocco became a net importer of citrus juice and concentrate and is likely to remain so in the future. Today, there are three single strength juice manufacturing plants in Morocco that are hardly able to meet the local demand for consumer oriented single strength juice and, given the prices of the fresh citrus in the local market, the local citrus processors will continue to face strong competition from the imported juices.

PSD Table, Morocco, Oranges, Fresh

(HECTARES) (1000 TREES) (1000 MT)

	2003 Revised		2004 Estimate		2005 Forecast		UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2003		10/2004		10/2005	MM/YYYY
Area Planted	50	50	51	51	0	51	(HECTARES)
Area Harvested	49	49	49	49	0	49	(HECTARES)
Bearing Trees	15200	15200	15402	15402	0	15400	(1000 TREES)
Non-Bearing Trees	300	300	300	300	0	300	(1000 TREES)
TOTAL No. Of Trees	15500	15500	15702	15702	0	15700	(1000 TREES)
Production	705	705	813	813	0	810	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	705	705	813	813	0	810	(1000 MT)
Exports	210	210	290	237	0	350	(1000 MT)
Fresh Dom. Consumption	494	490	522	570	0	454	(1000 MT)
Processing	1	5	1	6	0	6	(1000 MT)
TOTAL DISTRIBUTION	705	705	813	813	0	810	(1000 MT)

Export Trade Matrix

Country	Morocco		
Commodity	Oranges, Fresh		
Time Period	Oct.-Sep.	Units:	MT
Exports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
Russia	75466	Russia	91579
Netherlands	30089	Holland	47239
Great Britain	25022	Great Britain	31410
France	23607	Belgium	30980
Belgium	19625	France	13635
Lithuania	12862	Spain	5790
Sweden	3973	Lithuania	5220
Saudi Arabia	3309	Germany	4007
Finland	3286	Finland	2602
Germany	2188	Canada	1662
Total for Others	199427		234124
Others not Listed	10428		2500
Grand Total	209855		236624

PSD Table, Morocco, Orange Juice							
65 Degrees Brix, Metric Tons							
	2003 Revised		2004 Estimate		2005 Forecast		UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2003		10/2004		10/2005	MM/YYYY
Deliv. To Processors	1000	5000	1000	6000	0	6000	(MT)
Beginning Stocks	2364	2364	714	500	14	0	(MT)
Production	100	500	100	600	0	600	(MT)
Imports	650	834	1000	1400	0	1700	(MT)
TOTAL SUPPLY	3114	3698	1814	2500	14	2300	(MT)
Exports	800	798	200	5	0	0	(MT)
Domestic Consumption	1600	2400	1600	2495	0	2300	(MT)
Ending Stocks	714	500	14	0	0	0	(MT)
TOTAL DISTRIBUTION	3114	3698	1814	2500	0	2300	(MT)

Import Trade Matrix			
Country	Morocco		
Commodity	Orange Juice		
Time Period	Oct-Sep.	Units:	MT 65 Brix
Imports for:	2003		2004
U.S.	0	U.S.	0
Others		Others	
Brazil	467		
Argentina	285		
Spain	18		
Lebanon	17		
Egypt	15		
France	11		
Germany	5		
Saudia Arabia	5		
U.Arab Emirates	4		
Belgium	2		
Total for Others	829		0
Others not Listed	5		
Grand Total	834		0

PSD Table, Morocco, Tangerines, Fresh							
(HECTARES)(1000 TREES)(1000 MT)							
	2003 Revised		2004 Estimate		2005 Forecast		UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2003		10/2004		10/2005	MM/YYYY
Area Planted	24	24	25	25	0	25	(HECTARES)
Area Harvested	23	23	23	23	0	23	(HECTARES)
Bearing Trees	6900	6900	6900	6900	0	6900	(1000 TREES)
Non-Bearing Trees	300	300	600	600	0	600	(1000 TREES)
TOTAL No. Of Trees	7200	7200	7500	7500	0	7500	(1000 TREES)
Production	408	408	443	443	0	425	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	408	408	443	443	0	425	(1000 MT)
Exports	189	189	250	253	0	255	(1000 MT)
Fresh Dom. Consumption	219	219	193	190	0	170	(1000 MT)
Processing	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	408	408	443	443	0	425	(1000 MT)

Export Trade Matrix			
Country	Morocco		
Commodity	Tangerines, Fresh		
Time Period	Oct.-Sep.		Units: MT
Exports for:	2003		2004
U.S.	1885	U.S.	2426
Others		Others	
Russia	43583	Russia	94465
France	37002	Holland	36920
Canada	22520	Canada	28891
Netherlands	16843	Belgium	20901
Great Britain	13905	U.K.	19447
Lithuania	12434	France	14946
Belgium	8477	Lithuania	9450
Sweden	6951	Sweden	7771
Norway	5490	Poland	5652
Saudi Arabia	4905	Saudi Arabia	3638
Total for Others	172110		242081
Others not Listed	15279		8212
Grand Total	189274		252719

PSD Table, Morocco, Lemons, Fresh							
(HECTARES)(1000 TREES)(1000 MT)							
	2003 Revised		2004 Estimate		2005 Forecast		UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2003		10/2004		10/2005	MM/YYYY
Area Planted	1	1	1	1	0	1	(HECTARES)
Area Harvested	1	1	1	1	0	1	(HECTARES)
Bearing Trees	280	280	280	280	0	280	(1000 TREES)
Non-Bearing Trees	10	10	10	10	0	10	(1000 TREES)
TOTAL No. Of Trees	290	290	290	290	0	290	(1000 TREES)
Production	15	15	20	25	0	25	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	15	15	20	25	0	25	(1000 MT)
Exports	0	0	0	0	0	0	(1000 MT)
Fresh Dom. Consumption	15	15	20	25	0	25	(1000 MT)
Processing	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	15	15	20	25	0	25	(1000 MT)

PSD Table, Morocco, Citrus, Other, Fresh

(HECTARES)(1000 TREES)(1000 MT)

	2003 Revised		2004 Estimate		2005 Forecast		UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		10/2003		10/2004		10/2005	MM/YYYY
Area Planted	5	5	5	5	0	5	(HECTARES)
Area Harvested	5	5	5	5	0	5	(HECTARES)
Bearing Trees	1500	1500	1500	1500	0	1500	(1000 TREES)
Non-Bearing Trees	15	15	15	15	0	15	(1000 TREES)
TOTAL No. Of Trees	1515	1515	1515	1515	0	1515	(1000 TREES)
Production	10	10	10	10	0	10	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	10	10	10	10	0	10	(1000 MT)
Exports	0	0	0	0	0	0	(1000 MT)
Fresh Dom. Consumption	10	10	10	10	0	10	(1000 MT)
Processing	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	10	10	10	10	0	10	(1000 MT)