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Morocco

Grain and Feed

Wheat & Barley Production estimates released

2007

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Report Highlights:

MinAg's first official estimates confirm the poor wheat and barley crop this year. Morocco should start importing as early as August. Imports of common wheat, durum, barley and other feed grains will be high MY06/07.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Semi-Annual Report
Rabat [MO1]
[MO]

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Wheat and Barley Production

Official figures from the Ministry of Agriculture confirmed that wheat and barley productions are very low this year and are in fact the lowest since the year 2000. Inadequate rainfall during the planting season and the shortage of rain during the critical month of February-March accounts for most of the drop in the area planted and in production especially in the central, and southern parts of Morocco. Only about 10 percent of Morocco's grain production is irrigated and thus the production is largely dependent on rainfall.

The table below provides data on Morocco's production of wheat and barley (area in 1000 ha) and production in 1000 MT):

Year of Harvest	2000	2001	2002	2003	2004	2005	2006	2007 Official Estimates
PLANTED AREA								
Durum Wheat (1)	1,079	977	882	1,093	1,111	1,059	1,069	843
Soft Wheat (2)	1,823	1,724	1,745	1,896	1,953	1,907	2,038	1,728
Wheat (1)+(2)	2,902	2,701	2,626	2,989	3,064	2,966	3,107	2,571
Barley	2,251	2,126	2,002	2,267	2,324	2,180	2,189	1,993
Total Planted	5,153	4,827	4,629	5,255	5,388	5,146	5,295	4,564
PRODUCTION								
Durum Wheat (1)	427	1,039	1,032	1,766	2,025	941	2,096	440
Soft Wheat (2)	953	2,278	2,325	3,381	3,515	2,102	4,231	1,060
Wheat (1)+(2)	1,381	3,316	3,357	5,147	5,540	3,043	6,327	1,500
Barley	467	1,155	1,669	2,620	2,760	1,102	2,535	540
Total Production	1,848	4,472	5,026	7,767	8,300	4,145	8,862	2,040

Source: Ministry of Agriculture

Wheat Imports

Morocco has no choice but to recur to the international market to fulfill the local demand for common wheat and durum wheat. The low volume of the crop suggests that Morocco might start bringing wheat in as early as August. The tariff rate quota for common wheat for the United States will be at its maximum (740,000 MT) for the Calendar year 2006 quota period.

So far, Morocco has tendered for and purchased 200,000 MT of common wheat out of the 740,000 MT allocated to the United States. The Cereal Office is still expected to tender for the remaining to be delivered by December 31, 2007.

Expectations are that the Cereal Office will tender for about 300,000 MT in July for August-October delivery, and for about 200,000 MT in September-October for delivery by December 31st.

Since January 2007, as a result of a government tender for 170,000 MT, Morocco purchased about 35,000 MT of durum wheat as part of the US TRQ. The short supply in the United States prevented many importers from buying US durum. During the same period, imports of durum from Canada totaled about 300,000 MT. If the upcoming US durum crop permits, US

durum exports should increase significantly and will likely not be limited to imports under the TRQ.

Barley Imports

Imports of barley and other feed grains should be significantly higher this year because of generally poor pasture conditions and shortage of adequate roughage supply. Morocco has some 16 million head of sheep, 5 million goats, and 3.5 million of cattle that the government strives to take through the dry season (June - October). Similarly to previous drought years, the government launched a "Livestock Safeguard Program, LSP" by which the GOM makes subsidized barley available to farmers in hard hit areas. Typically the government has been paying for the in-country transportation cost of barley. Trade sources indicated that the program should run about 0.8 to 1.0 MMT although the program might slow down if rainfall is recorded during the fall, which would improve pasture conditions. Barley imports are normally free and entirely programmed and handled by the private sector. This year, the Moroccan Cereal Office is expected to tender regularly for subsidized barley to be delivered to specific areas but the actual imports will be carried out by the private sector. Chances of imports of barley, outside of the LSP, are very slim this year since the imported barley will likely be more expensive.

Earlier this year, the government announced a temporary phase out of duty until December 31st, 2007 for several feed products including barley, corn, DDGS, screening, and alfalfa pellets.

PSD Table

Country	Morocco								
	Wheat								
Commodity	2005			2006			(1000 HA)(1000 MT)(MT/HA)		
	2005	Revised	Post	2006	Estimate	Post	2007	Forecast	Post
Market Year Begin	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New
		07/2005	07/2005		07/2006	07/2006		07/2007	07/2007
Area Harvested	2966	2966	2966	3107	3107	3107	2500	2500	2571
Beginning Stocks	3349	3049	3349	1892	1147	1892	2419	1874	2419
Production	3043	3043	3043	6327	6327	6327	2100	2100	1500
MY Imports	2418	2055	2418	1500	1500	1500	3000	3500	3500
TY Imports	2418	2055	2418	1500	1500	1500	3000	3500	3500
TY Imp. from U.S.	81	95	81	0	160	0	0	400	800
Total Supply	8810	8147	8810	9719	8974	9719	7519	7474	7419
MY Exports	118	100	118	100	100	100	100	100	100
TY Exports	100	100	100	100	100	100	100	100	100
Feed Consumption	200	0	200	200	0	200	50	0	50
FSI Consumption	6600	6900	6600	7000	7000	7000	6900	6900	6900
Total Consumption	6800	6900	6800	7200	7000	7200	6950	6900	6950
Ending Stocks	1892	1147	1892	2419	1874	2419	469	474	369
Total Distribution	8810	8147	8810	9719	8974	9719	7519	7474	7419

PSD Table

Country	Morocco								
	Barley								
Commodity	2005			2006			(1000 HA)(1000 MT)(MT/HA)		
	2005	Revised	Post	2006	Estimate	Post	2007	Forecast	Post
Market Year Begin	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New
		07/2005	07/2005		07/2006	07/2006		07/2007	07/2007
Area Harvested	2180	2180	2180	2189	2189	2189	1800	1800	1993
Beginning Stocks	1178	1178	1178	331	380	331	766	815	766
Production	1102	1102	1102	2535	2535	2535	1000	1000	540
MY Imports	501	450	501	400	400	400	700	800	900
TY Imports	444	267	444	400	400	400	700	800	900
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0
Total Supply	2781	2730	2781	3266	3315	3266	2466	2615	2206
MY Exports	0	0	0	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0	0	0	0
Feed Consumption	1600	1500	1600	1600	1600	1600	1500	1500	1500
FSI Consumption	850	850	850	900	900	900	800	600	600
Total Consumption	2450	2350	2450	2500	2500	2500	2300	2100	2100
Ending Stocks	331	380	331	766	815	766	166	515	106
Total Distribution	2781	2730	2781	3266	3315	3266	2466	2615	2206