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## Morocco

### Grain and Feed

## Morocco eliminates non-durum wheat import duty 2008

**Approved by:**

Hassan Ahmed  
U.S. Embassy, Rabat, Morocco

**Prepared by:**

Aziz Abdelali

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**Report Highlights:**

Import duty on common wheat has been reset to zero this year to ensure adequate wheat supply and keep bread prices unchanged in the domestic market. As a result, U.S. wheat suppliers are expected to lose their preferential access for common wheat exports under the FTA.

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

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## Bread Wheat

Effective August 16, 2008, the Moroccan government suspended the duty on non-durum wheat, which results in wheat imports from all origins enter into Morocco at zero duty. The elimination of wheat import duty will result in loss of the preferential access for U.S. wheat exports under the FTA. Taking into account the size of the Moroccan common wheat crop this year of 2.7 MMT, the quota for U.S. wheat exports under the FTA would have been 463,000 MT to be imported at a preferential rate. Similarly, the European Quota would have been at 619,000 MT.

The Moroccan government put in place a 50 percent duty on June 1, 2008 (see MO8008) to facilitate marketing of the local wheat crop. The elimination of the common wheat duty was predicted, as the Ministry of Agriculture was afraid that local producers might not be able to market their wheat. Usually, the government temporarily increases the wheat import duties during the June-August period. High wheat prices in the world markets forced the Moroccan government to outright phase-out the duty on common wheat for the second year in a row to avoid any increase in local bread prices. No dates have been given as to when the suspension of the common wheat duty will end, but it is likely that it will remain in effect until the next harvest in May 2009.

The table below provides a summary of recent changes of common wheat duty:

	Customs duty (a)*	Threshold Price (dirhams)	Additional Duty (b)				
<b>Indicative Wheat Price (C&amp;F&amp; port Charges)*</b>				\$ 312.93	\$ 326.53	\$ 340.14	<b>Average</b>
<b>Implementation Date</b>				<b>Effective Duty (%)</b>			
Aug. 2006 to Feb. 2007	130.0%	1,000	2.50%	57.93%	55.63%	53.50%	55.69%
Feb. 2007 to Jun. 2007	60.0%	1,000	2.50%	27.50%	26.46%	25.50%	26.49%
Jun. 2007 to Sep. 2007	30.0%	1,000	2.50%	14.46%	13.96%	13.50%	13.97%
Sep. 2007 to Mai 2008	0.0%	1,000	0.00%	0.00%	0.00%	0.00%	0.00%
Jun. 2008 to Aug. 2008	50.0%	1,000	2.50%	21.74%	20.83%	20.00%	20.86%
Aug. 2008 to Current	0.0%	1,000	0.00%	0.00%	0.00%	0.00%	0.00%

\*The duty (a) is applied on the part of the price equal to threshold price. Part of the price above threshold price is subject to duty (b)

Indicative Average Exchange Rate (dirhams/\$): 7.35

## Durum wheat

No change.

Exemption from duties until May 31, 2009 (see MO8008). The United States lost its preferential access for durum for CY 2008 and CY 2009.