



Prepared by:

U.S. Embassy, Rabat, Morocco

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Market Brief - Product

Morocco : Dried Prunes and Raisins

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Rabat [MO1], MO

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A. Market Size

Morocco's population is about 28 million. Per capita income is estimated in 1997 at \$1,219. Minimum daily wage in Morocco is set at \$4.12.

Local production of plums is concentrated in north central part of Morocco around Fes, Kenitra, Chefchaouen. Local production fails to supply consistently high quality prunes.

As these products are normally used in pastry and festivity meals, the peak of consumption comes in the May-September period during which celebrations (particularly marriages) tend to concentrate. The consumption of dried raisins is less seasonal but like for prunes increase during religious celebrations such as the feast of pilgrimage and the end of Ramadan. This year, Ramadan should start about mid-December 1998 and the feast of pilgrimage is 2 months and 10 days after the end of Ramadan.

Currently these products are imported mainly from Iran and Turkey. There is clearly a need to inform importers about the US industry, import procedures, and U.S. grades and standards.

B. Consumption Pattern & Habits

Dried Prunes: Virtually all prune consumption consists of non-pitted dried prunes. Traditionally, prunes have been regarded as a festivity meal cooked with beef. A small quantity of prunes is used for pastries. Rarely are prunes used as a snack as in the US.

Moroccan retail sales consist mostly of the 30/40 size category. Larger and smaller prune sizes can also be found in the market but are not used as much.

Dried Raisins: Dried raisins are used both for pastries and in traditional Moroccan meals. As with prunes, dried raisins are not used as a snack food.

Both prunes and dried raisins are generally purchased by homemakers. These customers are often illiterate and purchase prunes and raisins on the stand. They pay particular attention to the size and homogeneity of the product.

C. Distribution and Pricing

Distribution

Dried prunes and raisins are sold in specialized dried fruit shops. These shops also sell nuts, including peanuts, dates, walnuts, dried figs, etc. The fruit is exhibited in its original boxes or jute bags so that the final buyer can see and touch, and sometimes taste the product.

Supermarkets started selling pre-packed prunes a couple of years ago. Typically, one can find 0.5, 1 kilogram transparent plastic-bags in which prunes have higher humidity. The quality of packaging varies considerably depending on whether the packaging was made locally or abroad

(in France). The best packed prunes found in supermarkets are imported directly from France. Some prunes are packed locally in lower quality plastic bags with minimum indication as to the origin, quality, or even expiration dates.

Local pastry makers and other industries purchase the prunes and raisins directly from wholesalers. Purchases are generally made in small quantities.

Markup varies substantially according to periods and to the availability of the product. Typically, wholesalers make 1 to 2 dirhams margin while retailers make about 2 to 3 dirhams per kilogram.

The importer margins vary substantially. When there are large number of containers of prunes, and dried raisins that arrive at the port at the same time, the importer's margin could be reduced significantly. However, importers often make between 3 and 5 dirhams per kilogram when the product is sold in the local market.

Current Prices

Current price for non-pitted prunes (size 30/40) is 35-38 dirhams per kilogram (dh/Kg). Yellow Sultana raisins (pitted) run about 36-40 dh/Kg, and dark raisins are sold at 30-32 dh/Kg. Current exchange rate is (dirhams per dollar): 9.300.

Packaging

Typically prunes and raisins come in cardboard boxes of 5, 10, and 12.5 kilograms with plastic bags inside. US exporters should have indication of producing company, the production date and the expiration date. Arabic labels are not mandatory.

According to importers, the percentage humidity has to be less than 27 percent in order to allow for better storage of the prunes in spite of the relatively high temperatures in Morocco. Prunes imported in the form of prepacked bags have higher humidity but account for a smaller share of the Moroccan market.

D. Import Regulation

Imports are done by the private sector and are not subject to any license requirement. The use of confirmed, irrevocable letter of credit is common. In some, cases importers have 30 to 60 days financing offered by their suppliers. Also, it is important to keep in mind, that some key importers combine their purchases to be able to handle large quantities.

Duties and Taxes

Imported prunes are subject to cumulative taxes and duties of 89 percent. This includes 42.5 percent *ad valorem* customs duties, 15 percent import tax and 20 percent VAT tax computed on the total. For example, for a C&F of 100 dirhams, customs duties are 42.5 dirhams and import

tax is 15 dirhams, the total value is 157.5 dirhams. Then, a VAT of 20 percent is added ($157 * 1.2 = 189$ dirhams).

Raisins are subject to the same customs duties and import tax as dried prunes but are not subject to VAT. Thus the cumulative duties and taxes are 57,5 percent *ad valorem*).

As a result, dried prunes and raisin retail prices are significantly inflated because of the duties and in fact are even more inflated if we take into account the distribution margins at various levels.

Food sanitary requirements

A sanitary certificate is required in order for the product to enter the Moroccan market. Also, when the product is shipped into Morocco for the first time, the local port authorities may request that an additional laboratory analysis be done at the expense of the importer. Customs clearance depends directly on the result of this analysis.

Major Competitors

Major competitors include France with its "Pruneaux d'Agen", Chile, Iran and Turkey.

The table below provides data on Moroccan imports of prunes and dried raisins (Weight in Metric Tons, Values in \$1000):

Calendar Year	1995		1996		1997	
	Weight	Value	Weight	Value	Weight	Value
Exchange Rate (dh/\$)	8.513		8.648		9.433	

Morocco's imports of Dried Raisins

-Iran	1,357	933	1,593	1,484	1,223	1,355
-Turkey	61	56	373	383	856	1,042
-Un.Arab.Em.	.	.	14	8	54	59
-Ireland	36	36
-U.S.A	.	.	18	34	.	.
-France	6	14	5	6	6	12
-Other	.	.	5	9	4	2
TOT. IMP.	1,459	1,039	2,007	1,924	2,142	2,471

Morocco's imports of dried prunes

-France	4	12	562	726	454	584
-Chile	20	30	260	488	235	361
-U.S.A	.	.	176	318	138	217
-Iran	.	.	34	29	.	.

TOT. IMP.	24	41	1,032	1,561	826	1,162
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Source: Official Moroccan Trade Data

E. How to approach this market

U.S. prunes have developed an excellent reputation for consistency in quality but the US has been also known for not being regularly price competitive.

U.S. suppliers should maintain contact with Moroccan importers even during years when the US is not price competitive. AGATT believes that the most effective approach to enter this market is to visit the market and meet personally with key Moroccan importers because they are so few. AGATT can arrange for US suppliers to visit markets and arrange meetings with key Moroccan importers.

Encouraging local companies to visit the U.S. prune and raisin producing areas could be another tool to promote U.S. sales of these products in Morocco.

F. Major importers

There are few importers that have been working constantly in the fruit and nut business. These have well established distribution networks and have developed a certain reputation over the years. Normally, these importers would like to develop long-term relationships with U.S. suppliers that are standard in the prune business. Many refuse to deal with brokers and intermediaries.

There are few major importers regularly involved in dried prunes and raisin imports. All of these importers correspond in French, but only some of them correspond in English.

Attached is a list of the major importers of dry fruits in Morocco:

"This Partial List Is Provided for Your Information with the Understanding That No Discrimination Is Intended and No Guarantee of Reliability Implied."

SAISS FRUIT

Mohamed BELLAMINE; CEO

28, Rue Akbat Kayad El Khammar, Bab Ftouh; FES

Phone:(212-5) 630920

Fax:(212-5)760704

SOCONARJISS

Hachimi BELGHITI; CEO

Phone:(212-5) 649577

Fax:(212-5)729276

Etablissement Belfquih & Fils
Mustafa BENLAFKIH; CEO
120, Rue Mohamed Smiha; CASABLANCA
Phone:(212-2) 442882/443980 Fax:(212-2)442883

First Diffusion
Fouad BENNIS; CEO
172, Boulevard Moulay Youssef; CASABLANCA
Phone:(212-2) 486767/487375 Fax:(212-2)486777

SACTAL
Asad EL OUAZZANI; Directeur
1, Place Zallaqua; CASABLANCA
Phone:(212-2) 306531/306187 Fax:(212-2)305931

DISMOD
Said ESSOFI; Gerant
Rue Mokhtar Soussi, No 5, Magasin No 34; RABAT
Phone:(212-7) 708844/201925 Fax:(212-7)703706

SOMACOSEF
Hassane MANSOURI; Directeur
Km 5, Route de Meknes; FES
Phone:(212-5) 655543/655544 Fax:(212-5)655542

New Prodiv
Abdelilah NAIM; Gerant
156, Rue de Strasbourg, No 24; CASABLANCA
Phone:(212-2) 309370/451079 Fax:(212-2)301784

FRUIT ORTY
Abdellatif SBAI; Directeur
156, Rue de Strasbourg, No 24; CASABLANCA
Phone:(212-2) 309370/305029 Fax:(212-2)301784

PECODIA
Mohamed Fouad SEKKAT; Directeur
Quartier Mazola, Rue 7, Magasin 18, Hay Hassani; CASABLANCA
Phone:(212-2) 907071/907058 Fax:(212-2)907058

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