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**Report Name:** Grain and Feed Annual

**Country:** Morocco

**Post:** Rabat

**Report Category:** Grain and Feed

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**Report Highlights:**

Morocco's wheat and barley production for the MY 2020/21 is expected to fall significantly due to drought. Post forecasts MY 2020/21 production at 2.05 MMT for common wheat, 0.82 MMT for durum wheat, and 0.95 MMT for barley. Low production is expected to result in higher grain imports. The Moroccan government has set up an emergency plan to deal with the crisis by providing support to grain farmers and livestock producers, and suspending duties on wheat imports until June 15, 2020.

## **Executive Summary:**

### MY 2020/21

- MY2020/21 wheat and barley total area harvested is forecast at 3.8 million Ha, about 20% below the five-year average. Wheat harvested area is estimated at 2.7 million Ha, and barley at 1.1 million Ha.
- Post forecasts MY 2020/21 production at 2.05 MMT for common wheat, 0.82 MMT for durum wheat, and 0.95 MMT for barley.
- Post anticipates below average wheat and barley yields, resulting in 2020 production estimates down roughly 33% for wheat and 24% for barley compared to last year's production.
- Post forecasts barley consumption to increase to 2.5 MMT based on below average vegetative growth for grazing in MY 2020/21. Post increases wheat consumption slightly to 10.850 MMT based on steady per capita consumption and the assumption of typical population growth.
- As a drought relief measure, the government of Morocco has announced a "Safeguard of Livestock Program." Morocco's grain office (ONICL) will distribute 250,000 MT of subsidized barley to farmers in the regions affected by drought.
- Post expects increased wheat imports as Morocco experiences its second consecutive drought year. For MY 2020/21, wheat imports are expected to rise sharply to 5.4 MMT, about 20 percent higher than the ten-year average.

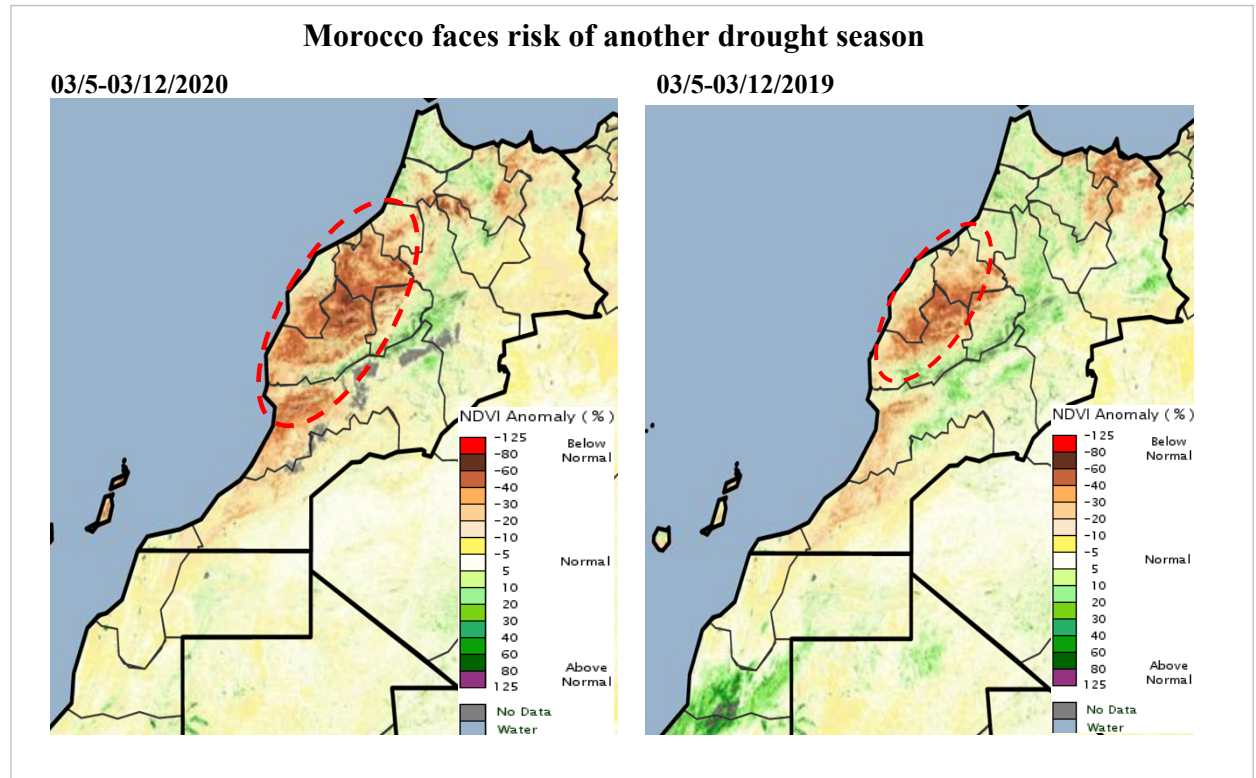
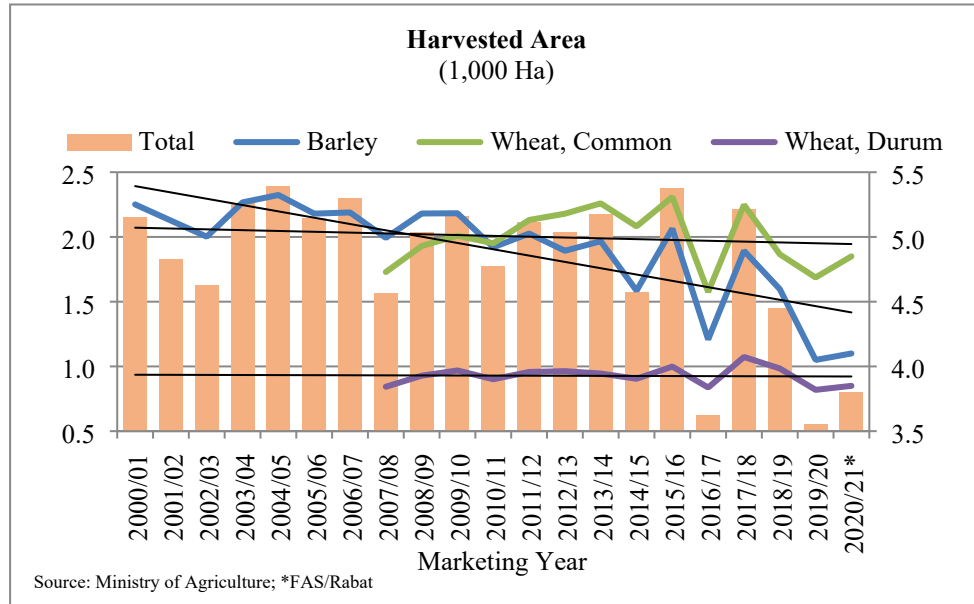
### MY 2019/20

- Post adjusts MY 2019/20 production for wheat and barley based on final Moroccan numbers.
- Post revised wheat imports up to reflect up-to-date trade data (*Post is using Moroccan office des changes data*).
- Post also revised the MY 2019/20 rice production number based on Morocco's final official numbers. Trade data is also adjusted to reflect up-to-date trade data.

**Commodities:  
Wheat and Barley**

**Area**

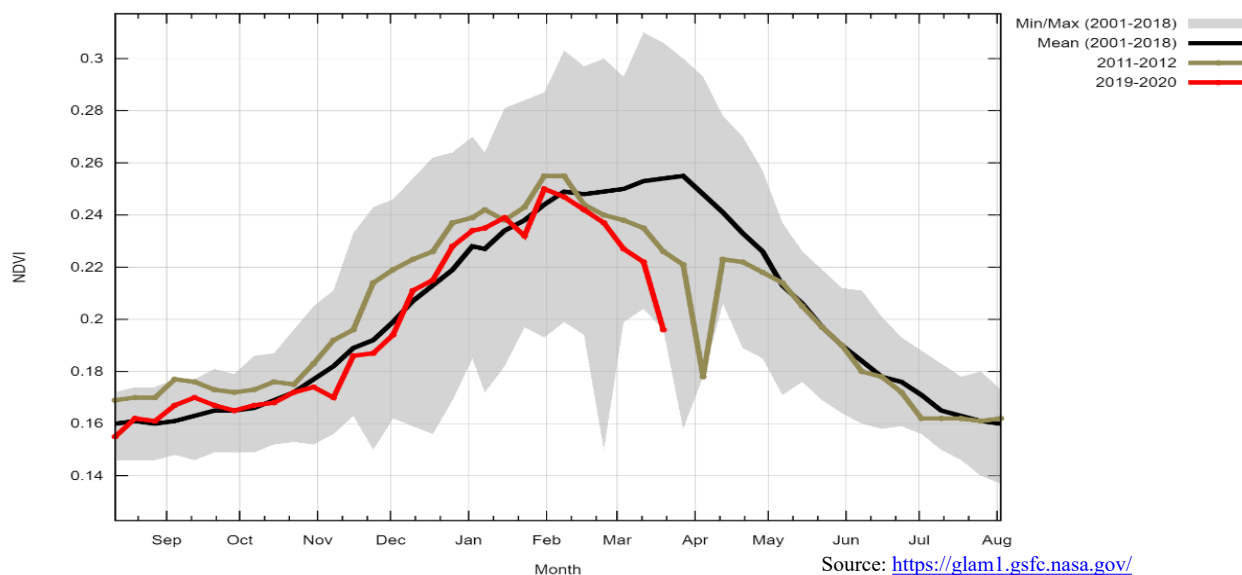
Morocco is experiencing a second consecutive year of drought, resulting in diminished planted area for grain. MY2020/21 total area harvested for wheat and barley is forecast at 3.8 million Ha, about 20% below the five-year average. Wheat harvested area is estimated at 2.7 million Ha, and barley at 1.1 million Ha. Regions with plantings most effected by drought are Souss-Massa, Chaouia-Ouardigha, Rabat-Sale-Zemmour-Zaer, Gharb, and Loukkos. In some of these regions, crop sowing was very late, while in other regions it is reported that some farmers lost hope and let their livestock graze their wheat fields.



**Production**

Morocco's grain production is expected to fall significantly due to dry conditions which occurred just after planting. Rainfall has registered below average since the end of January, causing a significant slowdown in plant growth and development.

Plot 1. Seasonal Time Series for Terra MODIS 8-day NDVI / Morocco



Post anticipates wheat and barley yields to fall below average. As a result, Post estimates MY 2020/21 production to fall to 2.8 MMT for wheat and 0.9 MMT barley, (approximately 33 and 24 percent lower than MY 2019/20, respectively). For MY 2019/20, Post revised wheat and barley production up based on final Moroccan official numbers (Wheat at 4 MMT and barley at 1.1 MMT).

Morocco Area, Yield, Production (Year of Harvest)							
		2016	2017	2018	2019	2020*	% Δ
Area	Wheat, Total	2,413	3,321	2,850	2,506	2,700	8%
	- Durum	837	1,073	984	819	850	4%
	- Common	1,575	2,248	1,866	1,687	1,850	10%
	Barley	1,208	1,893	1,597	1,050	1,100	5%
	TOTAL	3,621	5,121	4,350	3,556	3,800	7%
Yield	Wheat, Total	1.13	2.14	2.58	1.60	1.06	-33%
	- Durum	1.04	2.05	2.47	1.64	0.96	-40%
	- Common	1.18	2.18	2.63	1.59	1.11	-30%
	Barley	0.51	1.3	1.82	1.10	0.86	-24%
Production	Wheat, Total	2,731	7,092	7,340	4,025	2,870	-28%
	- Durum	874	2,199	2,430	1,344	820	-38%
	- Common	1,856	4,892	4,910	2,681	2,050	-24%
	Barley	620	2,467	2,910	1,161	950	-21%
	TOTAL	3,351	9,559	10,250	5,200	3,820	-27%

Source: Ministry of Agriculture; \*FAS/Rabat

### Consumption

## Wheat

In MY2020/21, Post holds total domestic consumption steady on a per capita basis at 288 kg, based on a population of 36.2 million, at around 10.85 MMT. Common wheat represents nearly 70% of the consumption in urban areas and 66% in rural areas.

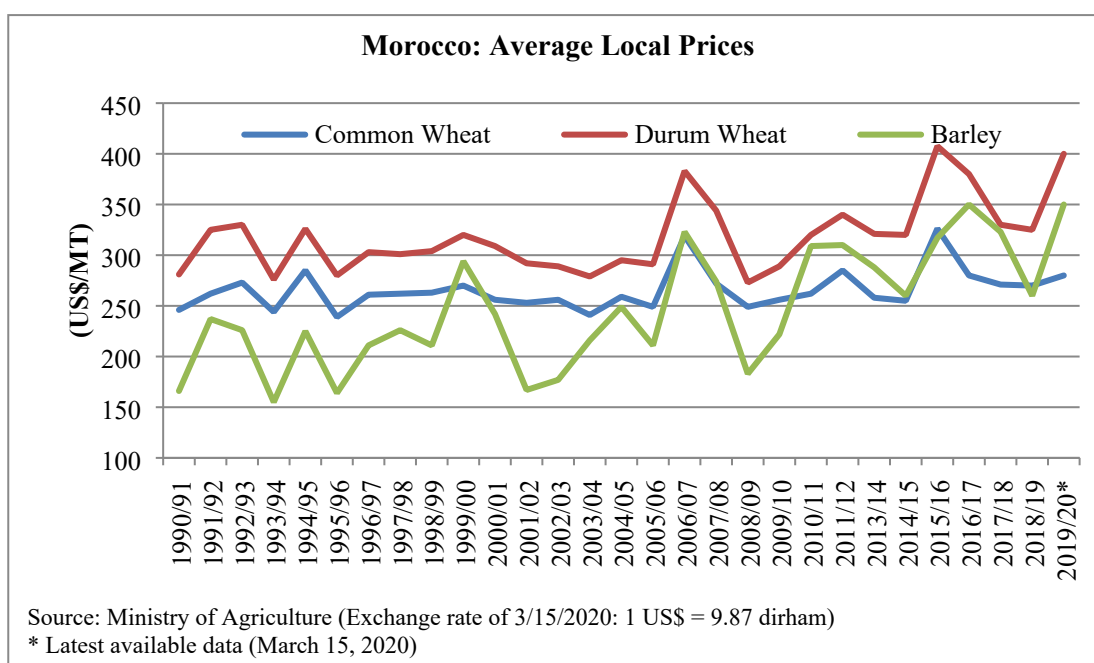
## Barley

Below average vegetative growth for grazing in MY 2020/21 is expected to result in higher barley consumption for feed. Post therefore increases 2020/21 barley consumption to 2.5 MMT. Barley is consumed mostly as animal feed. Consumption rates are based on local availability and pasture conditions, are thus somewhat volatile.

## Prices

Moroccan wheat, flour, and bread prices are politically sensitive and strictly managed.

- Morocco's National Inter-Professional Office for Cereals and Legumes (ONICL) attempts to control Morocco's wheat price within a range (\$260/MT-\$280/MT) through changes to MFN tariff rates throughout the year.
- ONICL subsidizes common wheat flour, known as "National Flour," in order to support low-income consumers. In calendar year 2020, the quota was set the same as 2012 at 600,000 MT.
- For MY2020/21 Barley prices in local markets rose to the unprecedented level of \$350 per MT in late February and have remained high to date (March 30, 2020).



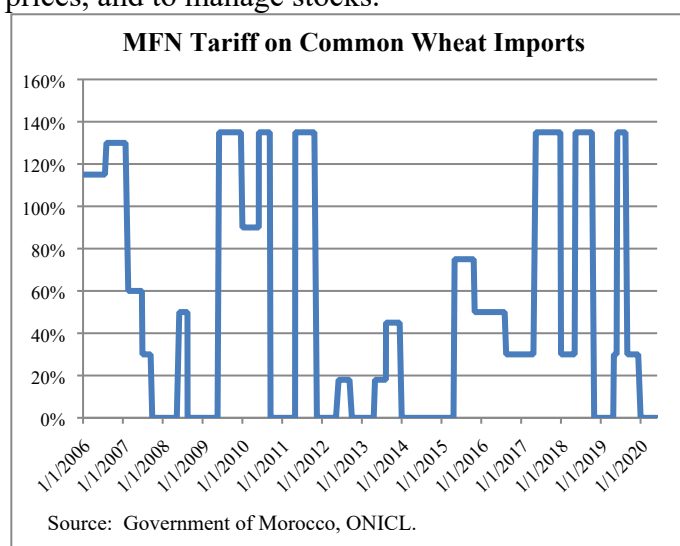
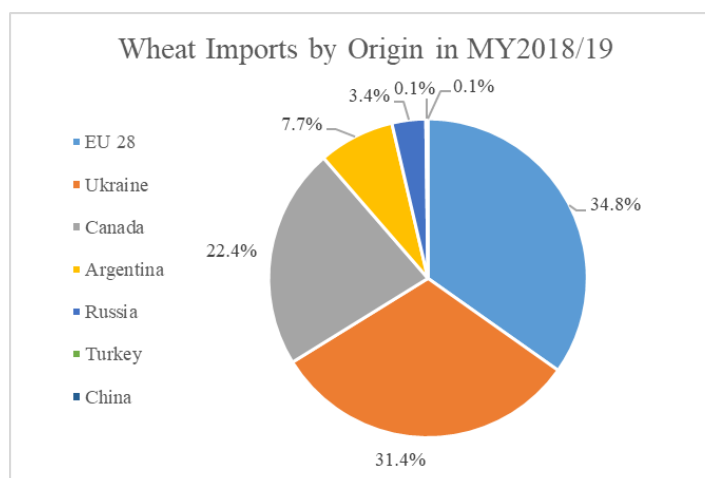
## Trade

## Wheat

After a second consecutive year of drought in Morocco, reduced wheat production is expected to increase wheat imports. For MY 2020/21, wheat imports are expected to rise to 5.4 MMT, a 20 percent increase above Morocco's ten-year import average. Post also increased the MY2019/20 import estimate to reflect up-to-date trade data.

Morocco uses import duties to provide protection to local grain producers during their marketing season, to regulate prices, and to manage stocks.

On March 27, 2020, the Government of Morocco decided to extend the import duties exemption on common wheat until June 15, 2020 to ensure adequate supply and maintain low prices in the local market. As a result, U.S. wheat exports to Morocco will have lose the preferential tariff under the FTA for the rest of the import season. ([link](#))

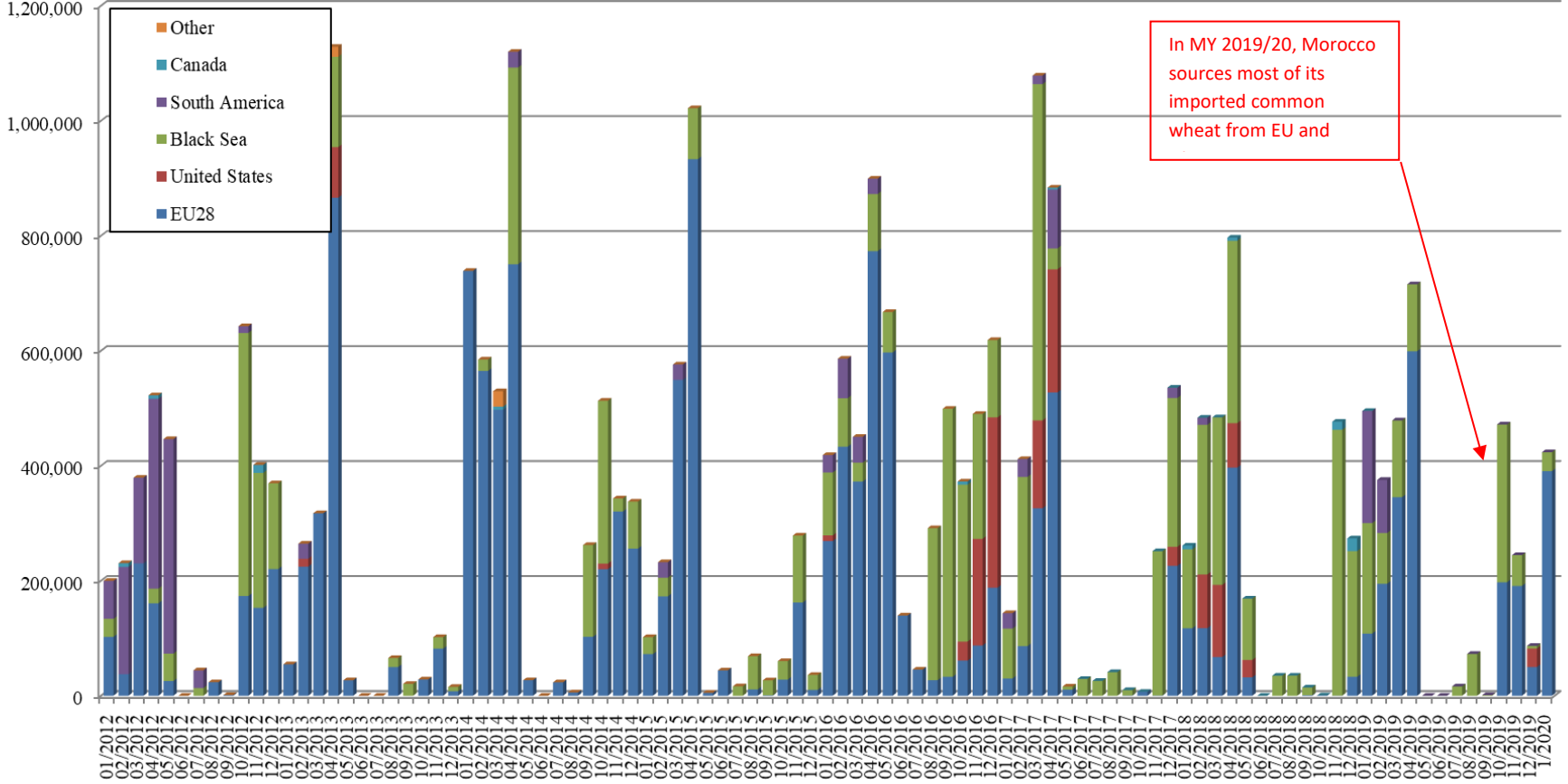


## Imports by Marketing Year (MT Wheat Equivalent)

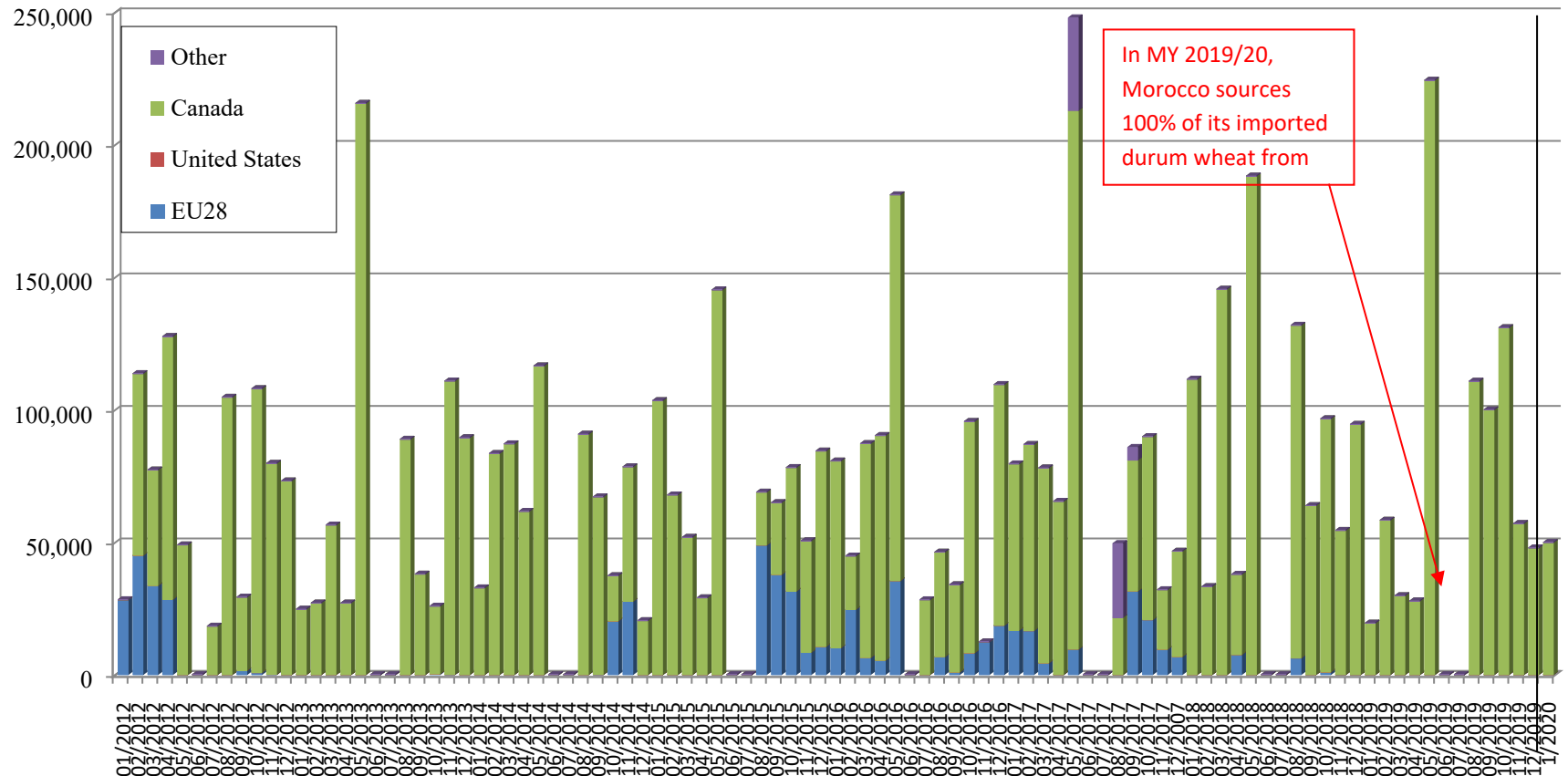
		2016/17	2017/18	2018/19	06/18 - 01/19	06/19 - 01/20	% Change
1001	Wheat And Meslin	5,462,855	3,660,438	3,705,893	1,791,236	1,895,322	5%
1101*	Wheat Or Meslin Flour	484	560	512	303	406	33%
190219*	Pasta, Uncooked, Not Stuffed Etc., Nesoi	12,860	13,727	13,859	8,479	8,967	5%
190230*	Pasta, Prepared Nesoi	2,631	1,721	3,607	2,260	1,876	-16%
190240*	Couscous	3	8	5	3	4	33%
<b>Total</b>		<b>5,478,833</b>	<b>3,676,454</b>	<b>3,723,876</b>	<b>1,802,281</b>	<b>1,906,574</b>	<b>5%</b>

Source: Morocco office de change, \*applied converting factor: 1.368, MY used for wheat June-May

### Morocco: Common Wheat Imports by Month, 2012-19 (MT)



### Morocco: Durum Wheat Imports by Month, 2012-2019 (MT)





Morocco mainly exports processed wheat products (couscous and flour). Exports are the result of excess milling capacity and Morocco's relative competitiveness in the Mediterranean region and Africa. Exports primarily target EU and African countries.

### ***Exports by Marketing Year (MT Wheat Equivalent)***

HS	Description	Marketing Year			Year To Date		
		2016/17	2017/18	2018/19	06/18 - 01/19	06/19 - 01/20	% Change
1001	Wheat And Meslin	415	20	50	-	-	-
1101*	Wheat Or Meslin Flour	16,440	15,750	26,187	16,951	2,215	-87%
190219*	Pasta, Uncooked, Not Stuffed Etc., Nesoi	6,259	8,854	14,351	9,325	12,695	36%
190230*	Pasta, Prepared Nesoi	3,350	3,835	3,840	1,943	2,566	32%
190240*	Couscous	32,005	32,385	31,283	19,795	22,266	12 %
<b>Total</b>		<b>58,470</b>	<b>60,845</b>	<b>75,710</b>	<b>48,013</b>	<b>39,742</b>	<b>-17%</b>

Source: Morocco office de change, \*applied converting factor: 1.368, MY used for wheat June-May

### ***Barley***

Morocco's barley imports are heavily influenced by weather. Imports of barley are expected to increase significantly during the next few months. For MY 2020/21, Post forecasts barley imports to reach 1.3 MMT to accommodate increased domestic consumption due to poor vegetative growth for grazing and lower production. Post maintains its import estimate for MY 2019/20 unchanged.

### ***Imports by Marketing Year (MT)***

Partner Country	Marketing Year			Year To Date		
	2016/17	2017/18	2018/19	07/18 - 01/19	07/19 - 01/20	%Change
EU	239,236	356,592	142,688	51,996	332,385	539%
Ukraine	147,874	43,458	8,249	8,249	38,408	366%
Russia	36,748	19,658	-	-	-	-
Argentina	55,357	9,900	-	-	-	-
<b>Total</b>	<b>479,216</b>	<b>429,609</b>	<b>150,937</b>	<b>60,245</b>	<b>370,793</b>	<b>515%</b>

Source: Morocco office de change, MY used for barley July-June

### **Stocks**

For MY2020/21, there are no official statistics on stocks, however industry indicates that Morocco's wheat reserve as of March 1, 2020 about 1.2 million MT of wheat. Stocks held by agents licensed by ONICL, including grain merchants, cooperatives, processors and government managed port silos, are generally known. These agents are paid a storage premium based on wheat stored and declared to ONICL, which calculates the storage premium every 15 days at a rate of roughly \$2/MT.

### **Policy**

On March 23, 2020, The Ministry of Agriculture set up a subsidized barley distribution program for farmers to feed livestock as part of anti-drought plan. The cereal office (ONICL) is responsible for launching tenders and will distribute 250,000 MT of subsidized barley to farmers in the regions affected by drought ([link](#)).

## Production, Supply, and Distribution

### Wheat:

Wheat	2018/2019		2019/2020		2020/2021	
Market Begin Year	Jun 2018		Jun 2019		Jun 2020	
Morocco	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2,850	2,850	2,750	2,750		2,700
Beginning Stocks	5,132	5,132	5,420	5,420		3,695
Production	7,340	7,340	4,000	4,025		2,870
MY Imports	3,724	3,724	4,800	5,100		5,400
TY Imports	3,724	3,724	4,800	5,100		5,400
TY Imp. from U.S.	0	0	0	0		0
Total Supply	16,196	16,196	14,220	14,545		11,965
MY Exports	76	76	50	50		50
TY Exports	75	75	50	50		50
Feed and Residual	800	800	800	800		750
FSI Consumption	9,900	9,900	10,000	10,000		10,100
Total Consumption	10,700	10,700	10,800	10,800		10,850
Ending Stocks	5,420	5,420	3,370	3,695		1,065
Total Distribution	16,196	16,196	14,220	14,545		11,965
Yield	2.5754	2.5754	1.4545	1.4636		1.0630

(1000 HA) ,(1000 MT) ,(MT/HA)

### Barley:

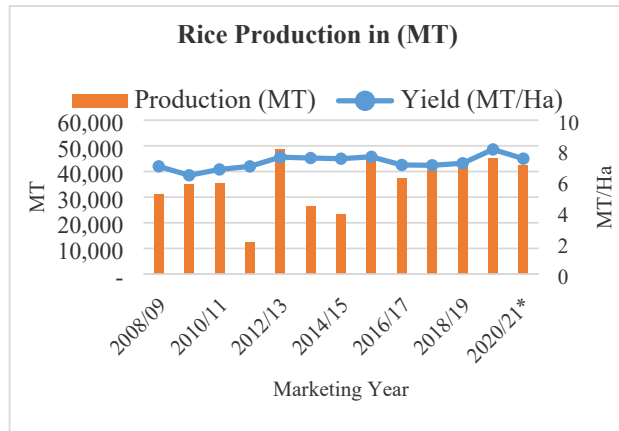
Barley	2018/2019		2019/2020		2020/2021	
Market Begin Year	Jul 2018		Jul 2019		Jul 2020	
Morocco	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,597	1,597	1,450	1,450		1,100
Beginning Stocks	184	184	445	445		406
Production	2,910	2,910	1,200	1,161		950
MY Imports	180	151	1,200	1,200		1,300
TY Imports	150	285	1,200	1,200		1,300
TY Imp. from U.S.	0	0	0	0		0
Total Supply	3,274	3,245	2,845	2,845		2,656
MY Exports	0	0	0	0		0
TY Exports	0	0	0	0		0
Feed and Residual	1,900	1,800	1,600	1,600		1,700
FSI Consumption	1,000	1,000	800	800		800
Total Consumption	2,900	2,800	2,400	2,400		2,500
Ending Stocks	374	445	445	406		156
Total Distribution	3,274	3,245	2,845	2,806		2,656
Yield	1.8222	1.8222	0.8276	0.8201		0.8636

(1000 HA) ,(1000 MT) ,(MT/HA)

## Commodities: Rice, Milled

### Area and Production

Rice production is negligible compared to wheat and barley yet still accounts for 85 percent of Morocco's total rice consumption. In Morocco, rice is cultivated under irrigation. Post forecasts harvested area for MY 2020/21 to remain steady at around 8,015 hectares, while production is forecast at 42,350 MT, a 6 percent decline from the previous season based on the weather conditions. Post also revised MY 2019/20 rice production based on final Morocco official data.



### Consumption

Rice is not consumed daily by Moroccans, but its consumption has been on the rise in the past few years, especially with shifting consumer behavior towards easier-to-prepare, lighter, and healthier meals. It is also increasingly featured in a growing number of international restaurants in Casablanca, Rabat, and Marrakesh.

### Trade

A shortfall in rice production in MY2020/21 will have to be covered largely by imports. In MY 2019/, Morocco imported about 3,026 MT from the United States of long grain and medium grain rice.

Year	Area (Ha)	Yield (MT/Ha)	Production (MT)	
			Rough	Milled
2008/09	6,360	7.00	44,520	31,164
2009/10	7,800	6.42	50,040	35,028
2010/11	7,430	6.80	50,520	35,364
2011/12	2,550	7.00	17,840	12,488
2012/13	9,154	7.60	69,554	48,688
2013/14	5,000	7.54	37,716	26,401
2014/15	4,407	7.50	33,051	23,136
2015/16	8,310	7.62	63,298	44,308
2016/17	7,527	7.09	53,354	37,348
2017/18	8,013	7.07	57,697	40,389
2018/19	8,091	7.79	63,037	44,125
2019/20	7,973	8.10	64,598	45,218
2020/21*	8,015	7.5	60,500	42,350

Source: Ministry of Agriculture; \*FAS/Rabat forecast

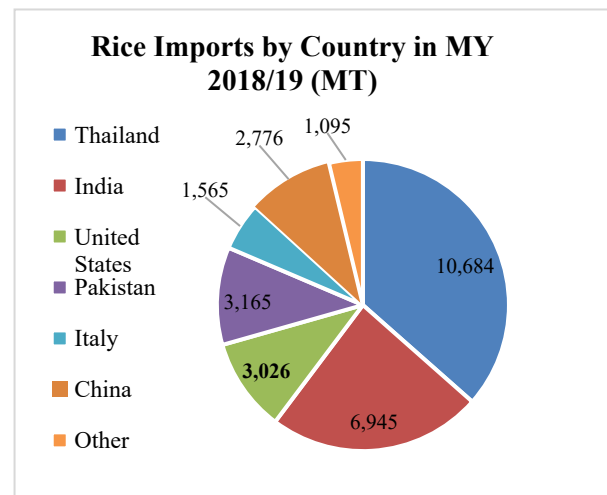
The tariff on U.S. rice has been eliminated since 2014.

### Imports by Marketing Year (MT) Conversion to Milled Eq.

HS	Description	Marketing Year		
		2016/17	2017/18	2018/19
100610	Rice In The Husk	1,784	1,735	1,708
100620	Rice, Husked (Brown)	20	113	235
100630	Rice, Semi- Or Wholl	7,385	38,143	26,798
100640	Rice, Broken	24	48	50
<b>Total</b>		<b>9,213</b>	<b>40,038</b>	<b>28,791</b>

Source: Morocco office de change, MY used for barley October-September

Post adjusts the MY 2018/19 trade figures to reflect trade to data.



## Production, Supply, and Distribution

Rice, Milled Market Begin Year	2018/2019		2019/2020		2020/2021	
	Oct 2017		Oct 2018		Oct 2019	
Morocco	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	8	8	8	8		8
Beginning Stocks	0	0	0	0		0
Milled Production	42	44	39	45		42
Rough Production	65	63	60	64		60
Milling Rate (.9999)	6,500	6,500	6,500	6,500		6,500
MY Imports	30	29	45	40		45
TY Imports	30	29	45	40		45
TY Imp. from U.S.	0	0	0	0		0
Total Supply	72	73	84	85		87
MY Exports	0	0	0	0		0
TY Exports	0	0	0	0		0
Consumption and Residual	72	73	84	85		87
Ending Stocks	0	0	0	0		0
Total Distribution	72	73	84	85		87
Yield (Rough)	8.125	7.79	7.5	8.1		7.5
(1000 HA) ,(1000 MT) ,(MT/HA)						

### Attachments:

No Attachments