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Prepared By: Mohamed Fardaoussi

Approved By: Benjamin Rau

Report Highlights:

The 2024 crop season in Morocco is progressing under difficult conditions. Dry and hot weather during January and February has driven production to record lows, especially in the southern parts of Morocco. Post forecasts MY2024/25 production at 1.55 MMT for common wheat, 0.75 MMT for durum wheat, and 0.65 MMT for barley. Low production for MY 2024/25 is expected to result in higher import demand of 7.5 MMT total wheat and 1.5 MMT barley.

Executive Summary:

- Extreme drought continues to afflict wheat and barley production in Morocco. The majority of Morocco's growing areas in the south are mired in a severe drought, except for fields that are irrigated for seed production.

- MY2024/25 wheat and barley total harvested area is forecast at 2.8 million Ha, reflecting a decrease of approximately 24 percent compared to the previous MY 2023/24. Wheat harvested area is estimated at 2 million Ha, and barley at 0.8 million Ha. Industry contacts have indicated that the area sown this season is anticipated to be the lowest in two decades.

- Post anticipates wheat and barley yields to fall below average, with MY 2024/25 production estimated at 2.3 MMT for wheat and 0.6 MMT barley, (approximately 45 and 52 percent lower than MY 2023/24, respectively).

- MY2024/25 wheat imports are expected to increase sharply due to poor grain production. the Moroccan wheat importers are increasingly diversifying their sources of wheat.

- For MY 2024/25, wheat imports are expected to rise to 7.5 MMT, a 52 percent increase above Morocco's ten-year import average. In response to instability and payment difficulties with black sea countries' suppliers, the Moroccan wheat importers are increasingly diversifying their sources of wheat.

- In MY 2024/25, the government of Morocco is promoting the adoption of no-till planting practice among the agricultural community to enhance water conservation during periods of heat stress.

Commodities: Wheat and Barley

Area:

Figure 1: Moroccan Harvested Area (1,000 MT)

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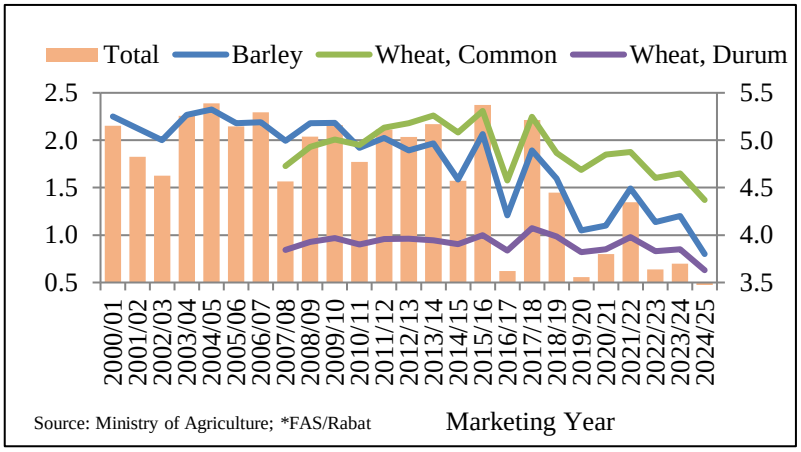


The 2024 season experienced significant delays due to lack of rain, with some regions not completing seeding until early January 2024, as many farmers awaited the season's first rainfall. Despite the eventual arrival of rain, it was both delayed and significantly less than average, proving inadequate for cultivating robust crops, particularly in southern areas. Industry contacts have indicated that the area sown this season is anticipated to be the lowest in two decades. The MY 2024/25 total area harvested to common wheat, durum and barley is projected to fall to 2.8 million hectares (HA), reflecting a decrease of approximately 24 percent compared to the previous MY 2023/24.

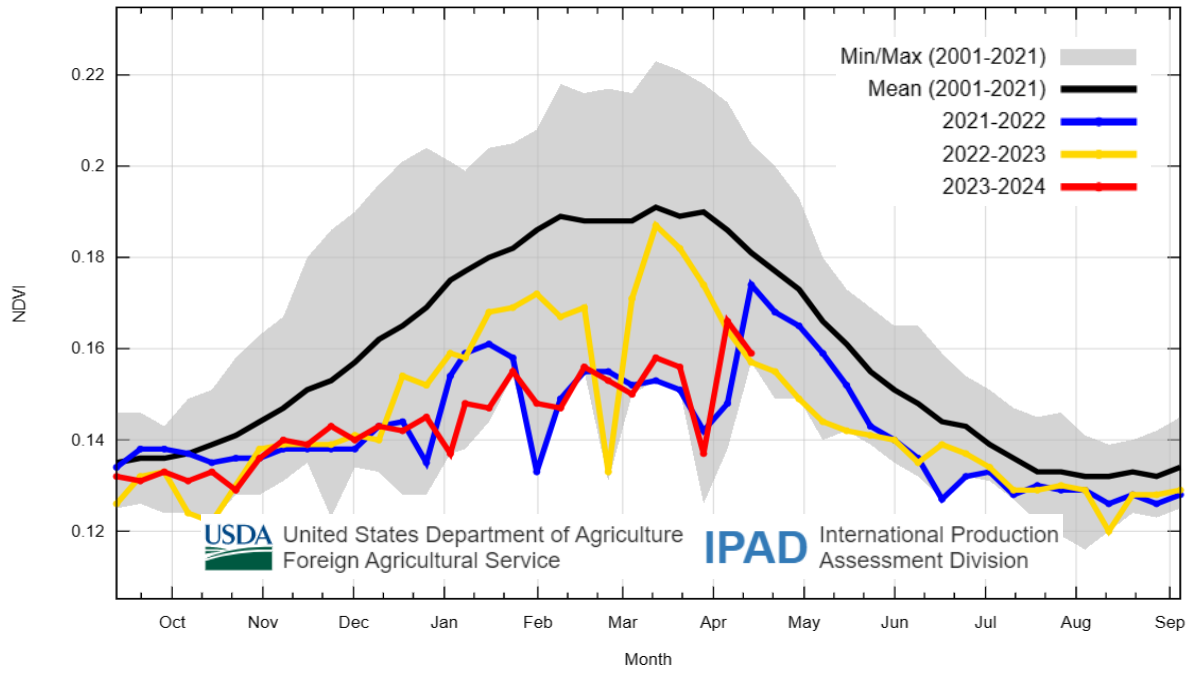
Regions where plantings have been most severely affected by drought include: Souss-Massa, Chaouia-Ouardigha, Marrakech, Settat- Berrchid and Beni-Mellal. In some of these regions, crop sowing was very late, while in other regions it is reported that some farmers lost hope and let their livestock graze their wheat fields In Morocco's northern areas, Fes, Meknes, and Gharb most farmers indicated that crop development is slightly better than average, due to rainfall received during the planting period.

In MY 2024/25, the government of Morocco is promoting the adoption of no-till planting practice among the agricultural community to enhance water conservation during periods of heat stress. Specifically, the areas of Rabat-Kenitra and Khemissat have set a goal to apply this technique across 200,000 Ha by 2030. As of this season, 40,000 Ha have already implemented the no-till method.

Production:

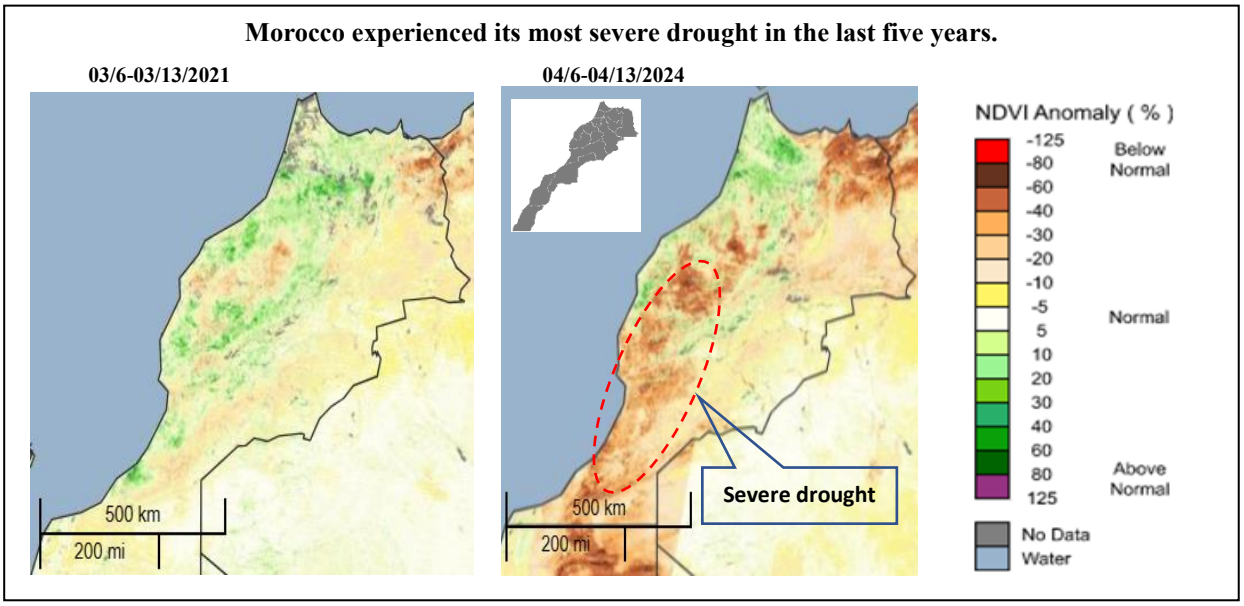
Morocco’s grain production is expected to fall significantly due to dry conditions which occurred just after planting. Rainfall has registered below average since the end of January, causing a significant slowdown in plant growth and development. The precipitation that occurred in February and March arrived too late to rescue the crops in the south.

Figure 2: Morocco – Relative Crop Conditions (Modis NDVI 8-Day), October- September



The vegetative index images in Figure 3 indicate that in the MY2024/25, most areas dedicated to the production of wheat and barley have been affected by drought conditions, except for the regions located in the North (Fes, Meknes, and Gharb). Post anticipates wheat and barley yields to fall well below average. As a result, Post estimates MY 2024/25 production to fall to 2.3 MMT for wheat and 0.6 MMT barley, approximately 45 and 52 percent lower than MY 2023/24, respectively.

Figure 3: Moroccan Vegetative Index Comparison MY 2024/25 and MY 2021/22



Consumption

Wheat

Bread is an important staple in the Moroccan diet and is served with most meals. In MY2024/25, Post holds total domestic consumption steady on a per capita basis at 288 kg, based on a population of 36.2 million, at around 10.3 MMT. Common wheat represents nearly 70% of the consumption in urban areas and 66% in rural areas.

Barley

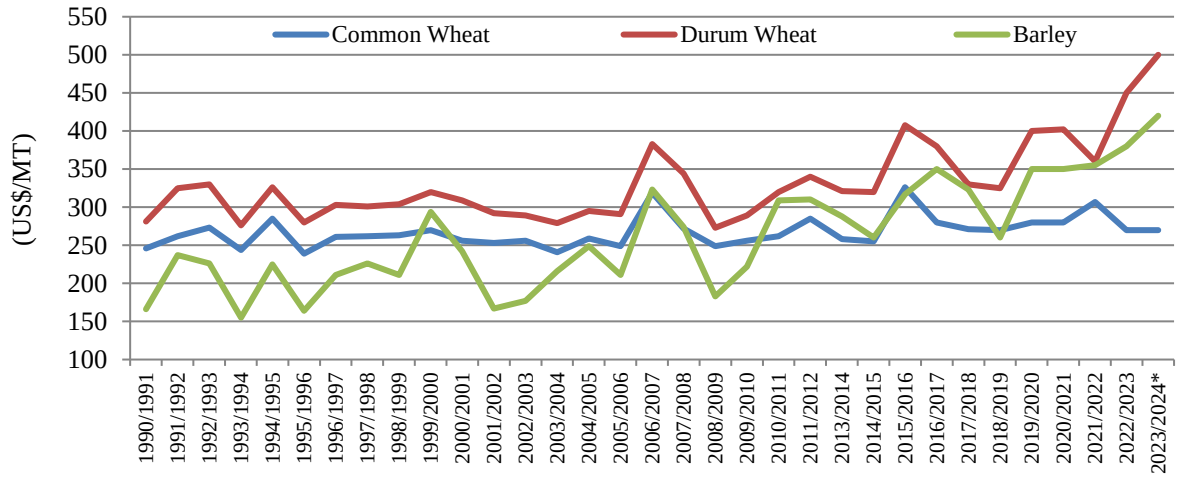
Barley is consumed mostly as animal feed and consumption rates vary depending on local availability and pasture conditions. For MY 2024/25, Post forecasts barley total consumption at 2.1 MMT. The Government of Morocco estimates cattle, sheep and goat populations will remain stable.

Prices

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

- Morocco's National Inter-Professional Office for Cereals and Legumes (ONICL) varies MFN tariff rates throughout the year in order to control Moroccan common wheat prices. ONICL aims to maintain bread wheat prices between $260/MT and $280/MT. This marketing season is set at $270/MT
- ONICL subsidizes common wheat flour, known as "National Flour," to support low-income consumers. In calendar year 2024, the quota was set at 600,000 MT, unchanged from 2023.
- Common wheat prices are falling and returning to levels from before the war in Ukraine.

Figure 4: Moroccan Average Local Prices for Wheat and Barley



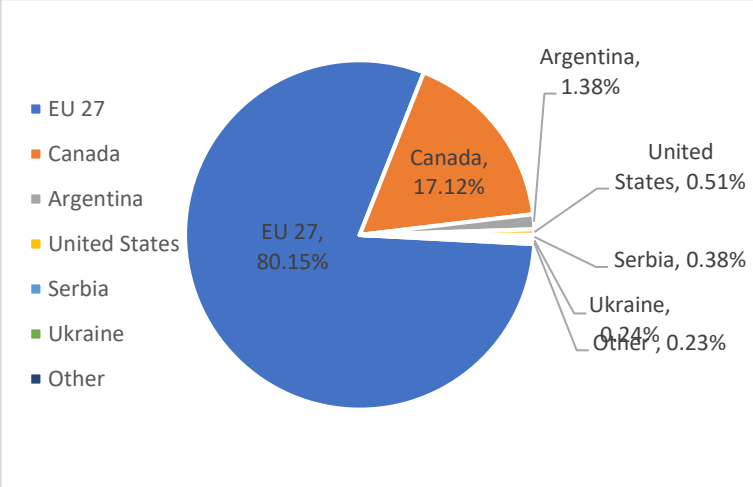
Source: Ministry of Agriculture (Exchange rate of 4/15/2024: 1 US$ = 10.14 dirham) * Latest available data (April 15, 2024).

Trade

Wheat

The anticipated decline in production is expected to necessitate an increase in wheat imports. For MY 2024/25, wheat imports are expected to rise to 7.5 MMT, a 52 percent increase above Morocco's ten-year import average. In response to instability and payment difficulties with black sea countries suppliers, Moroccan wheat importers are increasingly diversifying their sources of wheat. In MY2023/24, Morocco sourced approximately 80 percent of its wheat needs from European Union Countries.

Figure 5: Morocco Wheat Imports by Origin in MY 2023/24

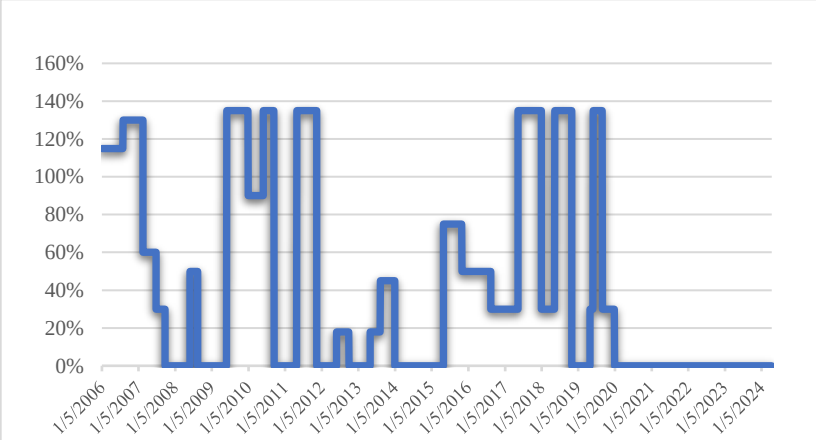


Wheat Imports duties

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

In MY2024/25, the Moroccan government maintains its policy of exempting common wheat imports of duties to guarantee ample supply and stabilize prices in the domestic market. As a result, U.S. wheat exports to Morocco will not have an advantage due to their preferential tariff under the U.S.-Morocco FTA for the rest of the import season.

Figure 6: Morocco MFN Tariff on Common Wheat Imports



Source: Government of Morocco, ONICL.

Table 1: Wheat Imports by Marketing Year (MT Wheat Equivalent)

HS	Description	Marketing Year			Year to Date		
		2020/21	2021/22	2022/23	06/22-01/23	06/23-01/24	%Δ
1001	Wheat and meslin	5,426,833	4,056,643	6,225,815	3,920,003	3,868,772	-1.31
190219	Pasta, Uncooked, Not Stuffed	14,383	11,404	10,940	6,516	11,009	68.95
190230	Pasta, prepared, nesoi	2,363	2,112	3,125	1,901	1,664	-12.47
1101	Wheat or meslin flour	512	381	420	278	212	-23.74
190240	Couscous	26	113	7	5	36	620
190430	Bulgur wheat, pre-cooked	60	78	152	94	32	-65.96
Total	**PSD-wheat**	**5,444,178**	**4,070,732**	**6,240,459**	**3,928,796**	**3,881,726**	**-1.2**

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

Table 2: Wheat Imports by Trade Year (MT Wheat Equivalent)

HS	Description	Trade Year			Year to Date		
		2020/21	2021/22	2022/23	07/22-01/23	07/23-01/24	%Δ
1001	Couscous	5,175,213	4,712,027	5,753,340	3,264,619	3,685,863	12.9
190219	Pasta, Uncooked, Not Stuffed	13,510	10,786	12,378	6,036	9,092	50.63
190230	pasta, prepared, nesoi	2,161	2,024	3,306	1,847	1,429	-22.63
1101	Wheat or meslin flour	512	391	388	228	196	-14.04
190240	Bulgur wheat, pre-cooked	27	108	4	3	36	1100
190430	Wheat and meslin	55	79	152	94	32	-65.96
PSD-Wheat	**PSD-wheat**	**5,191,479**	**4,725,414**	**5,769,568**	**3,272,826**	**3,696,647**	**12.95**

*Source: Morocco office de change, *applied converting factor: 1.368, TY used for wheat July-June*

Morocco mainly exports processed wheat products (Couscous and Pasta). 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.

Table 3: Wheat Exports by Marketing Year (MT Wheat Equivalent)

HS	Description	Marketing Year			Year to Date		
		2020/21	2021/22	2022/23	06/22-01/23	06/23-01/24	%Δ
190240	Couscous	55,816	54,283	52,882	30,260	42,805	41.46
190219	Pasta, Uncooked, Not Stuffed	13,069	20,373	30,214	15,937	31,700	98.91
190230	Pasta, prepared, nesoi	5,670	7,444	8,042	5,599	4,725	-15.61
1101	Wheat or meslin flour	1,956	1,263	1,781	1,323	2,018	52.53
1001	wheat and meslin	58	0	120	120	0	-100
190430	Bulgur wheat, pre-cooked	0	3	3	0	1	0
Total	**PSD-wheat**	**76,570**	**83,366**	**93,042**	**53,241**	**81,249**	**52.61**

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

Barley

Morocco's barley imports are significantly affected by climatic conditions, with imports expected to increase during the next few months. For MY 2024/25, Post forecasts barley imports to reach 1.5 MMT to accommodate increased domestic consumption due to poor vegetative growth for grazing and lower production. Post maintains its import estimate for MY 2023/24 unchanged.

Figure 7: Barley Imports by Origin in MY 2023/24

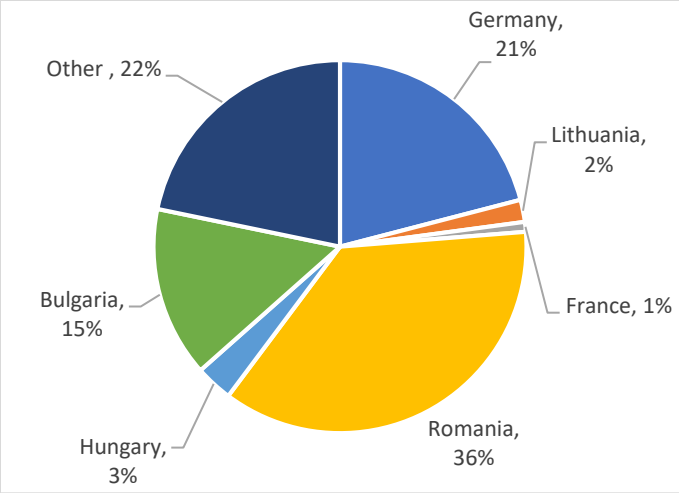


Table 4: Barley Imports by Marketing Year (MT)

Partner Country	Marketing Year			Year to Date		
	2020/21	2021/22	2022/23	07/22-01/23	07/23-01/24	%Δ
EU 27	440,994	786,171	346,445	27,821	671,242	2312.72
Germany	129,946	238,837	287,276	12,697	179,679	1315.13
Lithuania	38,876	22,003	20,496	0	16,428	0
France	6,247	416,485	13,888	13,888	7,312	-47.35
Romania	34,500	6,350	12,531	0	312,911	0
Hungary	2,085	0	11,018	0	27,686	0
Bulgaria	57,565	0	0	0	126,772	0
Other	212,253	292,702	1,235	1,235	186,510	150.02
Total	**481,472**	**976,378**	**346,445**	**27,821**	**857,298**	**2981.48**

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

Stocks

Although official statistics on wheat and barley stocks are not publicly available, industry contacts indicated that as of April 1, 2024, Morocco has a wheat supply that can last for three months of consumption, and that importers are actively engaging in contract negotiating to build up stocks. Generally, 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 $2/MT. Only a small portion of Moroccan barley passes through official collection channels, and data on barley stocks is inconclusive.

Policy

The Government of Morocco continues to support common wheat imports based on a fixed flat-rate premium. This measure is valid until April 30, 2024, and is intended to maintain low bread prices and encourage stock building. As international wheat prices return to normal levels during the month of April, the restitution has been stopped (link).

Table 5: Wheat Production, Supply, and Distribution

Wheat	2022/2023		2023/2024		2024/2025	
Market Year Begins	**Jun 2022**		**Jun 2023**		**Jun 2024**	
Morocco	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	2436	2436	2500	2500	0	2000
Beginning Stocks (1000 MT)	2081	2081	1237	1237	0	1522
Production (1000 MT)	2708	2708	4160	4160	0	2300
MY Imports (1000 MT)	6241	6241	6500	6500	0	7500
TY Imports (1000 MT)	5770	5770	6500	6500	0	7500
TY Imp. from U.S. (1000 MT)	62	62	0	0	0	0
Total Supply (1000 MT)	11030	11030	11897	11897	0	11322
MY Exports (1000 MT)	93	93	75	75	0	70
TY Exports (1000 MT)	93	93	75	75	0	70
Feed and Residual (1000 MT)	200	200	300	300	0	300
FSI Consumption (1000 MT)	9500	9500	10000	10000	0	10000
Total Consumption (1000 MT)	9700	9700	10300	10300	0	10300
Ending Stocks (1000 MT)	1237	1237	1522	1522	0	1152
Total Distribution (1000 MT)	11030	11030	11897	11897	0	11322
Yield (MT/HA)	1.1117	1.1117	1.664	1.664	0	1.15
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025						

Table 6: Barley Production, Supply, and Distribution

Barley	2022/2023		2023/2024		2024/2025	
Market Year Begins	**Jul 2022**		**Jul 2023**		**Jul 2024**	
Morocco	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	1137	1137	1170	1170	0	800
Beginning Stocks (1000 MT)	609	609	65	65	0	115
Production (1000 MT)	696	696	1350	1350	0	650
MY Imports (1000 MT)	346	346	1400	1400	0	1500
TY Imports (1000 MT)	734	734	1200	1200	0	1500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1651	1651	2815	2815	0	2265
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	886	886	1800	1800	0	1200
FSI Consumption (1000 MT)	700	700	900	900	0	900
Total Consumption (1000 MT)	1586	1586	2700	2700	0	2100
Ending Stocks (1000 MT)	65	65	115	115	0	165
Total Distribution (1000 MT)	1651	1651	2815	2815	0	2265
Yield (MT/HA)	0.6121	0.6121	1.1538	1.1538	0	0.8125
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Barley begins in October for all countries. TY 2024/2025 = October 2024 - September 2025						

Commodities: Rice, Milled

In contrast to wheat and barley, rice cultivation in Morocco relies on irrigation. The majority of production is focused in the Gharb and Loukkos regions. These areas experienced favorable rainfall during the planting season and farmers also used irrigation from a river. Post projects harvested area for MY 2024/25 to remain stable at approximately 8,250 hectares, and production is anticipated to reach 45,500 MT, about 1 percent increase from the previous year, due to favorable weather conditions during the planting.

Figure 8: Morocco's Rice Production and Yield

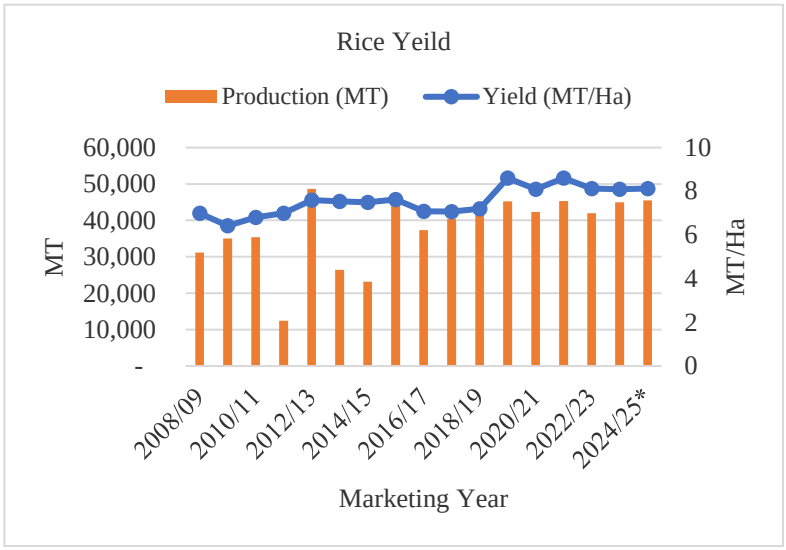
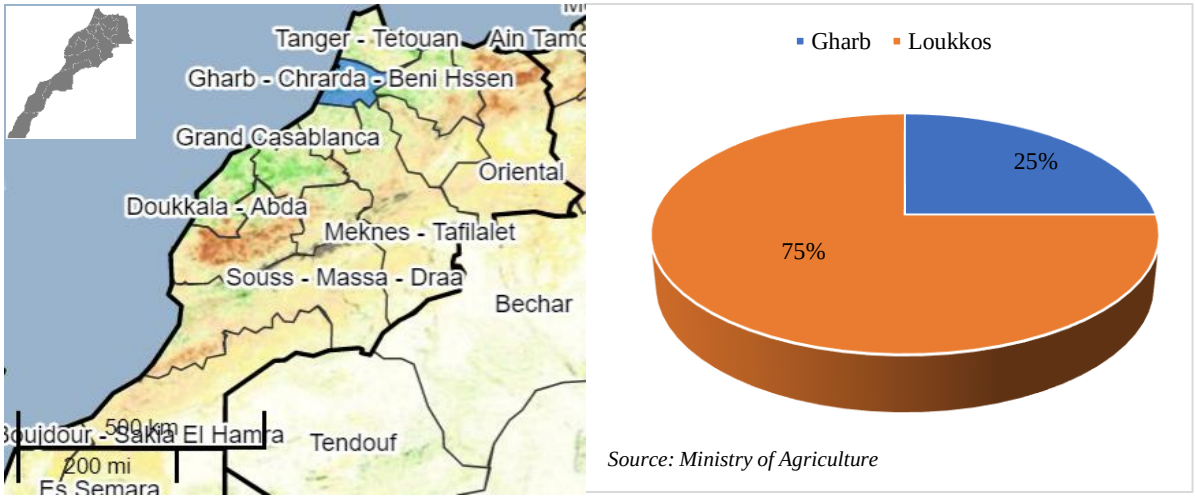


Figure 9: Rice Production Map- Area Highlighted in Blue



Source: Ministry of Agriculture

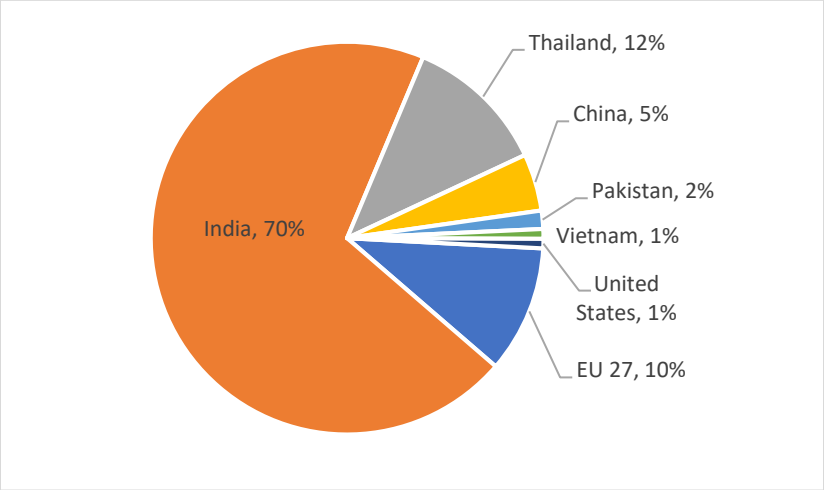
Consumption

Rice is not a staple food in Morocco and its consumption has not increased significantly as consumers continue to opt for bread wheat and couscous. For MY 2024/25, Post projects total domestic consumption at 125,000 MT about 4 percent increase from the previous year. This forecast is based on the growth of the HRI sector, along with an increase in tourism industry.

Trade

India continued to dominate the Moroccan market in MY 2022/23 and exported 51,753 MT of rice to Morocco, accounting for 70 percent of the Kingdom's rice imports. Thailand rice export volumes seen down 54 percent in MY2022/23 due to lower production and increased price. For MY 2024/25, rice imports are forecast at 8 MMT.

Figure 10: Morocco Rice Imports by Country in MY 2022/23 (MT)



Source: Trade Data Monitor

Post estimates rice imports for MY2024/25 to reach 80,000 MT, based on growth in the tourism and food service industry. Post adjusts the MY 2022/23 and MY 2023/24 trade figures to reflect up-to-date data.

Table 7: Imports by Marketing Year (MT) Conversion to Milled Eq.

HS	Description	Marketing Year			Year to Date		
		2020/21	2021/22	2022/23	10/22-01/23	10/23-01/24	%Δ
100630	Rice, semi-milled or wholly milled	37,971	65,153	72,516	14,563	25,186	72.95
100610	Rice in the husk (paddy / rough)	1,224	1,218	863	1	0	-100
100640	Rice, broken	124	129	527	102	189	85.29
100620	Rice, husked (brown)	91	188	54	10	22	120
Total	**PSD-rice, milled**	**39,409**	**66,688**	**73,960**	**14,675**	**25,397**	**73.06**

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

Table 8: Rice Production, Supply, and Distribution

Rice, Milled	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Morocco	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	8	8	8	8		8
Beginning Stocks (1000 MT)	0	0	0	0		0
Milled Production (1000 MT)	42	42	45	45		45
Rough Production (1000 MT)	65	65	69	69		69
Milling Rate (.9999) (1000 MT)	6500	6500	6500	6500		6500
MY Imports (1000 MT)	80	74	70	75		80
TY Imports (1000 MT)	83	85	70	75		80
TY Imp. from U.S. (1000 MT)	0	0	0	0		0
Total Supply (1000 MT)	122	116	115	120		125
MY Exports (1000 MT)	0	0	0	0		0
TY Exports (1000 MT)	0	0	0	0		0
Consumption and Residual (1000 MT)	122	116	115	120		125
Ending Stocks (1000 MT)	0	0	0	0		0
Total Distribution (1000 MT)	122	116	115	120		125
Yield (Rough) (MT/HA)	8.125	8.125	8.625	8.625		8.625

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2023/2024 = January 2024 - December 2024

Attachments:

No Attachments