

Required Report: Required - Public Distribution

Date: June 23,2020

Report Number: MO2020-0013

Report Name: Grain and Feed Update

Country: Morocco

Post: Rabat

Report Category: Grain and Feed

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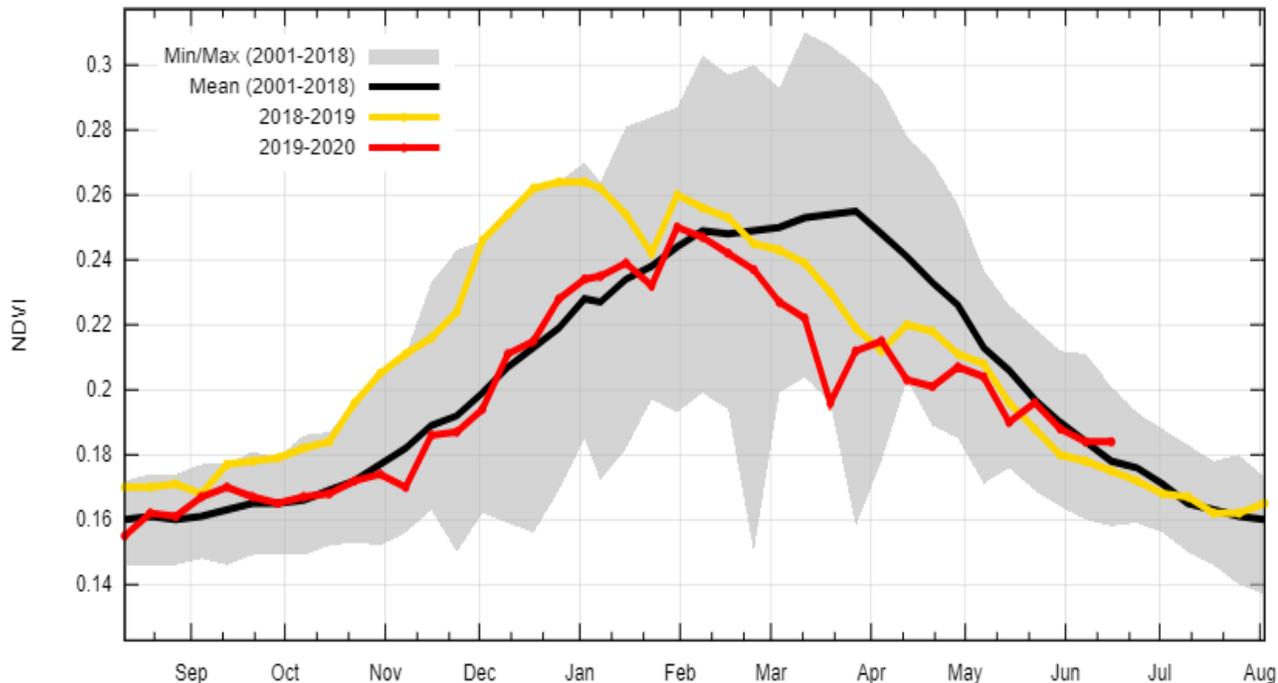
Report Highlights:

Morocco is facing historically low wheat production due to low rainfall in 2019/20. The Ministry of Agriculture forecasts total wheat and barley production at 3 million metric tons, about 60 percent below Morocco's ten-year production average. In response to low production, the Moroccan government has taken the unprecedented decision to extend its suspension of customs duties on common wheat through December 31, 2020.

Crop Update:

Morocco finished the 2019/20 wheat and barley crop year under poor conditions. Since the end of February 2020, Morocco has experienced insufficient rainfall. Faced with a below-average vegetation index (**mid-Feb through Jun**), Morocco began an early harvest near the end of May.

Morocco – Relative Crop Conditions (MODIS NDVI 8-day)



Source: <https://glam1.gsfc.nasa.gov>, USDA- International Production Assessment Division IPAD.

On April 24, 2020, the Ministry of Agriculture released its first production forecast for wheat and barley production. The Ministry of Agriculture estimated the total harvest at 3 MMT, including 1.65 MMT of common wheat, 0.75 MMT of durum wheat, and 0.6 MMT of barley. Wheat production has fallen 60 percent below Morocco's ten-year average. Post adjusts its production estimates for wheat and barley to reflect Ministry of Agriculture estimates.

Policy Update:

On May 7, 2020, the Government of Morocco extended its suspension of customs duties on common wheat through December 31, 2020. The decision to lift wheat import duties through the summer months is unprecedented. Historically, Morocco raises tariffs during the summer harvest period in order to protect local wheat producers (See [GAIN report](#)).

On May 15, 2020, the Minister of Agriculture and the Minister of Economy and Finance signed a joint decision regarding the implementation of a number of measures to help farmers market their harvest for the 2019-2020 crop year, effective June 1-July 31, 2020. The measures include:

- The reference price for common wheat is maintained at 2,800 Dh/MT (\approx \$280/MT).

- Providing a biweekly storage premium of 20 Dh/MT (\approx \$2/MT) for grain traders and Moroccan agricultural cooperatives to store their wheat at facilities licensed by ONICL.
- A subsidy for millers and common wheat buyers at the rate of 50 Dh/MT (\approx \$5/MT) For more information, see [Circular #03/ONICL, 2020](#).
- Morocco's grain sector continues to weather the COVID-19 crisis, remaining open and operational throughout the nation's state of emergency. Agribusiness leader's report that mills are operating at full capacity, that wheat imports continue, and that ports are operational. Moroccan officials are well prepared to manage a record low wheat harvest.

Trade Update:

Wheat Imports by Marketing Year (MT Wheat Equivalent)

HS	Description	Marketing Year			Year to Date		
		2016/17	2017/18	2018/19	06/18-4/19	06/19-4/20	%Δ
1001	Wheat And Meslin	5,462,855	3,660,438	3,705,893	3,481,598	4,081,752	17
190219*	Pasta, Uncooked, Not Stuffed Etc., Nesoi	12,860	13,727	13,859	12,896	13,622	6
190230*	Pasta, Prepared, Nesoi	2,631	1,721	3,607	3,051	2,386	-22
1101*	Wheat Or Meslin Flour	484	560	512	473	516	9
190240*	Couscous	3	8	5	5	7	40
Total		5,478,833	3,676,454	3,723,876	3,498,023	4,098,283	17

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

Wheat Exports by Marketing Year (MT Wheat Equivalent)

HS	Description	Marketing Year			Year to Date		
		2016/17	2017/18	2018/19	06/18-4/19	06/19-4/20	%Δ
190240*	Couscous	32,005	32,385	31,283	28,932	32,317	11.70
1101*	Wheat Or Meslin Flour	16,440	15,750	26,187	25,287	3,266	-87.08
190219*	Pasta, Uncooked, Not Stuffed Etc., Nesoi	6,259	8,854	14,351	12,795	17,317	35.34
190230*	Pasta, Prepared, Nesoi	3,350	3,835	3,840	3,420	4,261	24.59
1001	Wheat And Meslin	415	20	50	50	0	-100
Total		58,470	60,845	75,710	70,484	57,162	-18.90

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

Barley Imports by Marketing Year (MT)

Partner	Marketing Year			Year to Date		
	2016/17	2017/18	2018/19	07/18-4/19	07/19-4/20	%Δ
EU 28	239,236	356,592	142,688	82,233	734,575	793.28
Ukraine	147,874	43,458	8,249	8,249	118,963	1342.15
Argentina	55,357	9,900	0	0	0	0
Russia	36,748	19,658	0	0	0	0
Total	479,216	429,609	150,937	90,482	853,538	843.32

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

Production, Supply, and Distribution

Post adjusts 2018/19 exports numbers to reflect up-to-date trade data. Post's wheat import estimate for MY2020/21 has been revised upwards to nearly 6 MMT, reflecting Morocco's weak domestic production and strong import demand.

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	2,700
Beginning Stocks	5,132	5,132	5,420	5,420	3,685	3,685
Production	7,340	7,340	4,025	4,025	3,500	2,400
MY Imports	3,724	3,724	5,100	5,100	5,800	6,000
TY Imports	3,724	3,724	5,100	5,100	5,800	6,000
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	16,196	16,196	14,545	14,545	12,985	12,085
MY Exports	76	76	60	60	60	60
TY Exports	75	75	60	60	60	60
Feed and Residual	800	800	800	800	500	500
FSI Consumption	9,900	9,900	10,000	10,000	10,100	10,100
Total Consumption	10,700	10,700	10,800	10,800	10,600	10,600
Ending Stocks	5,420	5,420	3,685	3,685	2,325	1,425
Total Distribution	16,196	16,196	14,545	14,545	12,985	11,193
Yield	2.58	2.58	1.46	1.46	1.3	0.89

(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	1,100
Beginning Stocks	184	184	398	398	109	159
Production	2,910	2,910	1,161	1,161	750	600
MY Imports	204	204	850	900	1,200	1,300
TY Imports	299	299	850	900	1,200	1,300
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	3,298	3,298	2,409	2,459	2,059	2,059
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	1,900	1,900	1,500	1,500	1,300	1,300
FSI Consumption	1,000	1,000	800	800	700	700
Total Consumption	2,900	2,900	2,300	2,300	2,000	2,000
Ending Stocks	398	398	109	159	59	59
Total Distribution	3,298	3,298	2,409	2,459	2,059	2,059
Yield	1.82	1.82	0.82	0.82	0.68	0.55

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

Attachments:

No Attachments