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GAIN Report

Global Agricultural Information Network

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Morocco

Citrus Annual

2015 Morocco Citrus Annual Report

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Report Highlights:

Post forecasts that MY 2015/16 orange production in Morocco will increase by 5 percent compared to the previous year, registering 918,120 MT on a planted area of about 55,804 hectares; tangerine/mandarin production will increase by 5 percent totaling 1,055,241 MT on a planted area of 62,181 hectares; and lemon and lime production will increase by 8 percent totaling 35,500 MT on a planted area of 3,750 hectares. Most of the production increases are due to rejuvenation of citrus orchards, improved irrigation, and increases in harvested areas. Post projects total orange exports for MY 2015/16 to reach around 135,000 MT, tangerine/mandarin exports will increase by 10 percent to reach approximately 380,820MT, and lemon/lime exports will increase to 7,200 MT. The rise in exports is mostly due to high demand in Russia market, as tensions mount between Moscow and

Ankara.

The Moroccan citrus industry is planning to continue its strong focus on the Russian market this season, but warns coordination will be needed to avoid poor prices.

Harmonized System (HS) Codes:

Oranges 080510

Tangerines/Mandarins 080520

Limons 080550

Orange Juice 200911, 200912, 200919

Abbreviations used in this report:

ASPAM Moroccan Citrus Producers Association

EU European Union

EACCE Etablissement Autonome de Control and Export Coordination

GTA Global Trade Atlas

MT Metric ton (1,000 kg)

MMT Million Metric Tons

MoA Moroccan Ministry of Agriculture

MOC Moroccan Office of Changes

MY Marketing year

PS&D Production, Supply and Demand

Key Sources

Name of source	Website
Maroc Citrus	http://maroc-citrus.com/
Moroccan Citrus Producers Association (ASPAM)	http://maroc-citrus.com/?page_id=315
Moroccan Ministry of Agriculture	http://www.agriculture.gov.ma/
Global Trade Atlas	http://www.gtis.com/gta/usda/
Etablissement Autonome de Control and Export Coordination (EACCE)	http://web2.eacce.org.ma/

Exchange rate

1 US\$ Exchange = 10.0203 MAD (source: Oanda, 11/27/15)

Table 1: Summary of fresh citrus production, supply and distribution by (1000MT)

citrus	MY 2014/15			MY 2015/16		
	Production	Domestic Consumption	Exports	Production	Domestic Consumption	Exports
Oranges	868	693	125	918	728	135
Tangerines/Mandarins	1,003	657	346	1,055	675	380
Lemons/Lime	30	23	7	35	27.5	7.5

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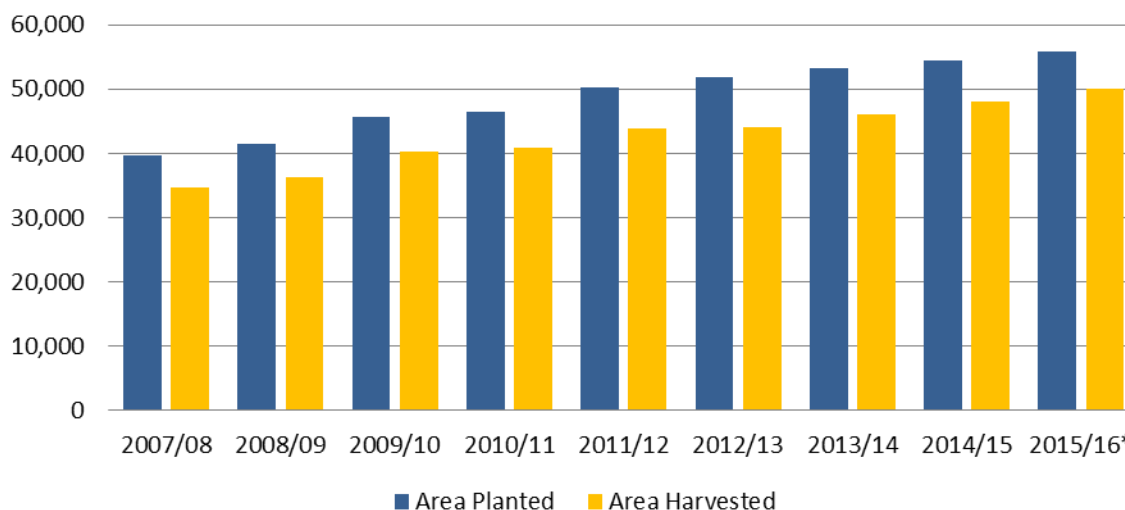
Commodities

Oranges, Fresh

Production

The area planted with oranges in Morocco has grown steadily since the 2007/08 MY by 40.6 percent from 39,673 hectares to 55,804 hectares in 2015/16 MY. The total orange harvested area has grown by at least four percent from 48,098 hectares in the 2014/15 MY to 50,100 hectares in the 2015/16 MY.

Figure 1: Area Planted and Harvested to Oranges



Source: MoA, MC. * Post estimation

Post forecasts that the MY 2015/16 production of oranges will increase by five percent to 918,120 MT compared to previous year. The rise in orange production is mainly due to the rejuvenation of the orange orchard, improved irrigation, and increases in harvested areas. The Souss and Oriental region that accounts for nearly thirty percent of Morocco's orange production has faced unfavorable weather this season that negatively affected the bloom during the fruit setting, and hence the production is officially expected to decline in those regions by 10 to 15 percent. In contrast, the Gharb, Tadla, and Houz will register a production growth this season.

Table 2: Morocco Orange Production by regions in MT

Regions	2014/15	2015/16*	% Change
GHARB	250,059	279,400	11.7%
SOUSS	208,999	184,315	-11.8%
TADLA	193,216	227,995	18.0%
ORIENTAL	121,305	108,570	-10.5%
TAZA	31,823	27,435	-13.8%
AL HAOUZ	29,690	49,270	66.0%
TANGER TETOUAN	12,065	17,615	46.0%
Other region	21,492	23,520	9.4%
Total	868,649	918,120	5.7%

Source: MoA, DSS, and Maroc citrus association * Post estimation

Orange production in Morocco is dominated by Maroc-Late (48 percent) and Navel (35 percent) varieties. The Sanguine was the most affected variety where fruit size and quality were significantly below average.

Table 3: Oranges Production by volume (1000 Metric Tons)

Marketing Year	2013/14	2014/15	2015/16*	% Change
Maroc-Late	494	405	441	9%
Navel	370	317	330	5%
Sanguine	28	25	23	-10%
Salustiana	78	70	76	11%
Other Orange	30	33	48	-5%
Total Oranges	1,000	868	918	6%

Source: MC, MoA, * Post estimation

Consumption

Post forecasts that the 2015/16 MY domestic consumption of oranges will increase by 5 percent compared to the previous year, reaching about 728,000 MT based on consumer demand. Fresh oranges are the most popular citrus consumed in Morocco, and per capita annual consumption is estimated at 19 kg for oranges.

Trade

According to the Office des Changes, total oranges exports in 2014/15 MY amounted to 125,041 MT. E.U. and Russia attracted 60% of the Moroccan oranges in 2014/15 MY, about 13 percent higher than exports the previous year. Most of the increase in orange exports occurred in Maroc Late and Navel exports. This season exports of oranges are expected to increase as tensions mount between Russia and Turkey. Morocco has been named by Moscow as potential replacement for Turkish supplies after Russia announced on Nov. 26, 2015 broad retaliatory measures against Turkey's economy.

Post projects total orange exports for MY 2015/16 to reach around 135,000 MT, about 8 percent higher than exports in MY 2014/15. The increase in exports is explained by the demand of Russian market.

Table 4: Oranges exports by country (Metric Tons)

Marketing Year	2013/14	2014/15
Netherlands	44,014	47,000
Russia	23,816	24,463
Sweden	12,460	11,717
United States	2,076	9,165
France	3,207	4,675
Canada	2,281	3,025
Mauritania	10,428	2,411
Senegal	6,292	416
Other country	6,855	21,886
Total Export	110,429	125,041

Source:

Office des changes

Table 5: Oranges exports (Metric Tons)

by varieties (Metric Tons)

Marketing Year	2010/11	2011/12	2012/13	2013/14	2014/15*	% Change
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Maroc-Late	100,486	84,753	42,237	46,029	81,792	-2%
Navel	19,391	10,850	4,499	7,187	6,510	38%
Navel Lane Late	3,886	2,870	874	3,895	2,198	29%
Salustiana	25,172	19,210	9,189	16,571	16,460	16%
W.Sanguine	25,253	22,477	17,474	23,631	16,632	35%
Sanguinelli	337	397	1,019	707	958	-3%
Other Orange	620	73	22	551	461	-21%
Oranges	175,145	140,630	75,314	110,429	125,041	11%

Source: MoA, office de change and EACCE/ * Post estimation

Table 6: PS&D Orange, Fresh

Oranges, Fresh	2013/2014		2014/2015			2015/2016*	
Market Begin Year	Oct 2013		Oct 2014			Oct-15	
Morocco	USDA Official	New Post	USDA Official	Old Post	New Post	USDA Official	New Post
Area Planted (H)	53,300	53,300	54,536	54,536	54,536	0	55,804
Area Harvested	45,000	45,000	46,000	46,000	48,067	0	50,100
Bearing Trees	16,644	16,644	16,800	16,800	16,800	0	16,850
Non-Bearing Trees	1,747	1,747	1,500	1,500	1,500	0	1,540
Total No. Of Trees	18,391	18,391	18,300	18,300	18,300	0	18,390
Production	1,001	1,001	750	750	868	0	918
Imports	0	0	0	0	0	0	0
Total Supply	1,001	1,001	750	750	868	0	918
Exports	110	110	80	80	125	0	135
Fresh Dom. Consumption	821	821	620	620	693	0	728
For Processing	70	70	50	50	50	0	55
Total Distribution	1,001	1,001	750	750	868	0	918

Source: PS&D/USDA * Post forecast

Commodities:

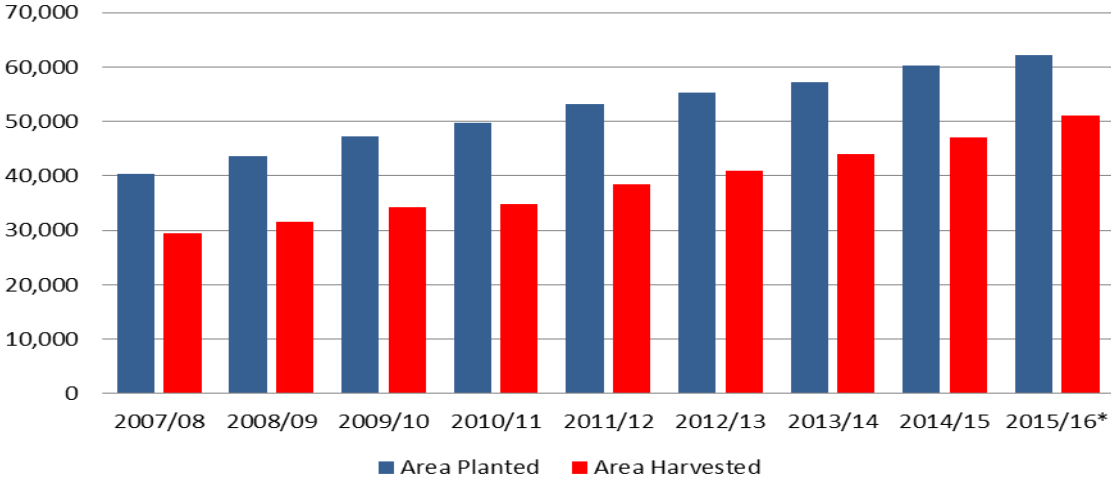
Tangerines/Mandarins, Fresh

Production

The area planted with tangerine/mandarin in Morocco has grown steadily since the 2007/08 MY by 40.6 percent from 40,292 hectares to 62,181 hectares in 2015/16 MY. The total tangerines/mandarins

harvested area has grown slightly by 73 percent from 29,417 hectares in the 2007/08 MY to 50,996 hectares in the 2015/16 MY.

Figure 2: Area Planted and Harvested to Tangerines/Mandarins



Source: MoA, MC, * Post estimation

Post forecasts that the MY 2015/16 production of tangerines/mandarins in Morocco will increase by five percent to 1,055,541 MT compared to previous year, the rise in tangerines/mandarins production is mainly due to the rejuvenation of the tangerines/mandarins orchard, practice of localized irrigation, and an increase in harvested areas.

Table 7: Morocco Tangerines/Mandarins Production by Regions in MT

Regions	2014/15	2015/16*	% change
SOUSS	382,500	418,432	9.4%
ORIENTAL	195,026	156,043	-20.0%
AL HAOUZ	145,173	166,534	14.7%
TADLA	127,187	150,081	18.0%
GHARB	109,706	112,760	2.8%
TANGER	20,152	29,421	46.0%
TAZA	11,341	10,341	-8.8%
Other region	12,206	11,629	-4.7%
Total	1,003,291	1,055,241	5.2%

Source: Maroc citrus, MoA, * Post estimate

Tangerines/mandarins production is dominated by Clementine-type varieties, such as Nules, Deverdis and Late Clementine with Nova projected to increase by 41 percent and Nadorcott by 19 percent, due to new orchards coming on line. It should be noted that there are more than 47 varieties in Morocco, several of which are new hybrid varieties, such as Nadorcott (Afourer) and Nova that are gaining popularity compared to local varieties. These varieties have the advantages of being a higher quality and harvested later which extends the marketing season through February and thus increases their availability to the export markets.

Table 8: Tangerines/Mandarins Production by Volume (1000 Metric Tons)

Marketing Year	2013/14	2014/15	2015/16*	% Change
Clementine	629	559	537	-4%
Nules	141	123	122	-1%
Nova	154	112	158	41%
Nadorcott	141	112	134	19%
Others	120	96	104	8%
Total	1,185	1,003	1,055	5.2%

Source: Maroc citrus, MoA, * Post estimate

Consumption

Post forecasts that the MY 2015/16 domestic consumption of tangerines/mandarins in Morocco will increase by 2.7 percent to 675,000MT compared to previous season. The high quality, desirable taste, and low prices compared to the other fruits have made tangerines/mandarins the favorite fruit consumed by Moroccans. Per capita annual consumption is estimated at 11 kg.

Trade

According to the Office des Changes, total tangerines/mandarins exports in 2014/15 MY amounted to 346,600 MT about 30 percent lower than exports from the previous period, the Russian market, which accounts for more than 50% of Moroccan tangerines/mandarins exports, was not able to absorb the quantity exported last year which resulted in dropping prices of fruit leading to severe losses for Moroccan farmers who sell on consignment.

Table 9: Tangerines/Mandarins exports by country (Metric Tons)

Marketing Year	2013/14	2014/15*
Russia	279,560	139,294
Netherlands	48,500	48,599
Canada	46,223	40,779
United States	40,817	45,226
Sweden	24,651	30,989
France	24,449	15,323
United Kingdom	9,428	7,380

Senegal	1,801	4,168
Mauritania	997	3,054
Other country	17,405	11,788
Total Export	493,831	346,600

Source: Office des change, * Post estimate

Morocco's tangerines/mandarins exports to the United States (mostly Clementine varieties) totaled 45,226 MT in MY 2014/15 about 10.8 percent higher than exports from the MY 2013/14, about 47 percent of these exports consisted of Clementine, 29 percent Nadorcott, and 21 percent for Nour. The expansion of Morocco's tangerines/mandarins exports to the U.S. market has been constrained mainly by U.S. consumers' preference for larger fruit sizes rather than logistic.

Table 10: Tangerines/Mandarins Exports by Varieties (Metric Tons)

Marketing Year	2010/11	2011/12	2012/13	2013/14	2014/15*	% change
Clementine	214,352	206,228	171,665	280,954	162,669	-42%
Nour	79,151	77,249	58,985	117,458	71,370	-39%
Nadorcott	37,931	41,926	66,481	65,043	98,787	52%
Ortanique	9,277	7,581	4,377	8,829	6,262	-29%
Nova	6,514	7,792	2,360	4,545	3,181	-30%
Others	1,915	3,202	3,420	17,002	4,330	-75%
Total	349,140	343,978	307,288	493,831	346,600	-30%

Source: Office des change, * Post estimate

Post forecasts that the Morocco 2015/16 MY exports of tangerines/mandarins will increase by 10 percent for MY 2015/16 to reach around 380,820 MT. The increase in exports is explained by Russian increased demand as tensions mount between Moscow and Ankara while Morocco among the countries poised to win shares of the Russia citrus market.

Table 11: PS&D Tangerines/Mandarins

Tangerines/Mandarins, Fresh	2013/2014		2014/2015			2015/2016	
	Oct 2013		Oct 2014			Oct 2014	
	USDA Official	New Post	USDA Official	Old Post	New Post	USDA Official	New Post
Morocco							
Area Planted	57,201	57,201	60,227	60,227	60,227	0	62,181
Area Harvested	42,000	42,000	43,600	43,600	47,140	0	50,100
Bearing Trees	18,320	18,320	18,300	18,300	19,300	0	19,700
Non-Bearing Trees	6,412	6,412	6,412	6,412	6,412	0	6,610

Total No. Of Trees	24,732	24,732	24,712	24,712	25,712	0	26,310
Production	1,160	1,160	925	925	1,003	0	1,055
Imports	0	0	0	0	0	0	0
Total Supply	1,160	1,160	925	925	1,003	0	1,055
Exports	501	501	350	350	346	0	380
Fresh Dom. Consumption	659	659	575	575	657	0	675
For Processing	0	0	0	0	0	0	0
Total Distribution	1,160	1,160	925	925	1,003	0	1,055

Source: PS&D/USDA * Post forecast

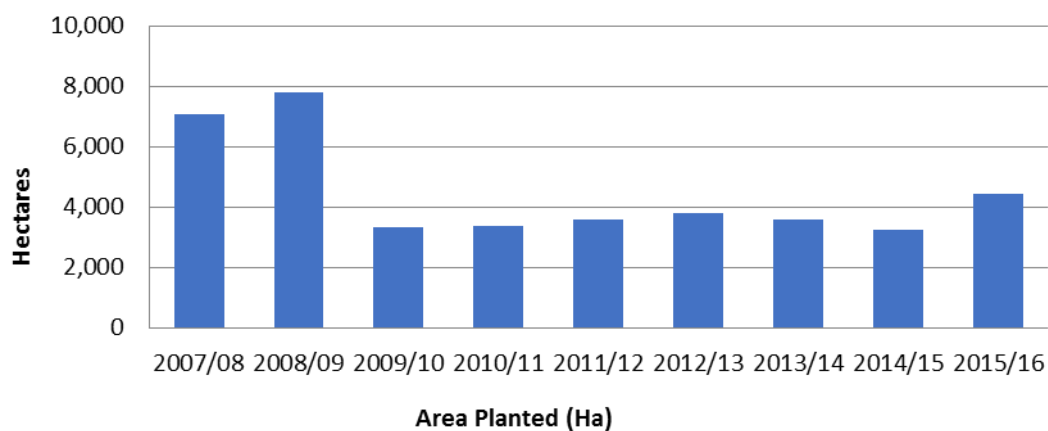
Commodities:

Lemons, Fresh

Production

The area planted for the lemons/limes has declined steadily since MY 2008/09 by 43 percent from 7,789 hectares in MY 2008/2009 to 4,415 hectares in MY 2015/16 due to increase in the area of oranges and tangerines/mandarins varieties.

Figure 3: Area Planted to Lemons/Limes



Source: MoA, Maroc citrus

Post forecasts that the MY 2015/16 production of lemons/limes in Morocco will increase by five percent to 35,200 MT compared to previous year. The rise in lemons/limes production is mainly due to the increase of the harvested area compared to the previous year and the practice of localized irrigation.

Table 12: Lemon/Lime Production by volume

Marketing Year	Production				
	2012/2013	2013/14	2014/15	2015/16*	% Change
Lemon/Lime**	47.5	42.4	29.6	35.2	19 %

(1,000 Metric Tons)					
Total Fresh Citrus	1,494	2,204	1,906	2,008	5.35%

Source: MoA, DSS,* Post estimate

** : includes grapefruits

Consumption

In MY 2015/16, Post forecasts Morocco's domestic consumption of lemon/lime will increase by 19 percent compared to previous season, reaching about 670,000MT . Per capita annual consumption is estimated at 1.3 kg for lemon/lime.

Trade

Post forecasts the 2015/16 MY lemon exports to increase by 8 percent to 7,500 MT based on the increased of domestic production.

Table 13: Morocco's Citrus Exports by varieties (1000 Metric Tons)

Marketing Year	Exports		
	Metric Tons		
	2013/14	2014/15	2015/16*
Lemon/Lime*	10,494	6,900	7,500

Source: EACCE and MC/** Post estimate

Table 13: PSD Lemons/Limes

Lemons/Limes, Fresh	2013/2014			2014/2015			2015/2016	
	Oct 2013			Oct 2014			Oct 2015	
Market Begin Year	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	New Post
Morocco								
Area Planted	3,577	3,577	0	3,235	3,235	0	0	3,750

Area Harvested	3,000	3,000	0	2,800	2,800	0	0	2,920
Bearing Trees	1,702	1,702	0	1,500	1,500	0	0	1,550
Non-Bearing Trees	450	450	0	325	325	0	0	335
Total No. Of Trees	2,152	2,152	0	1,825	1,825	0	0	1,885
Production	43	43	0	35	30	0	0	35
Imports	0	0	0	0	0	0	0	0
Total Supply	43	43	0	35	30	0	0	35
Exports	10	10	0	10	7	0	0	7
Fresh Dom. Consumption	33	33	0	25	23	0	0	28
For Processing	0	0	0	0	0	0	0	0
Total Distribution	43	43	0	35	30	0	0	35
TS=TD	0	0	0	0	0	0	0	0

Commodities

Orange Juice

Production

The citrus processing sector in Morocco is facing rigid competition in sourcing raw materials in the fresh citrus market. This is mainly due to the low prices offered by orange juice processors compared to prices offered in the fresh market. There are five citrus processing plants currently operating in Morocco, of which three are producers of single strength orange juice that can hardly meet demand from local market buyers. Fresh oranges delivered to juice processors are currently estimated at about 55,000 MT annually.

Consumption

The local market consumes more than 70 percent of the overall orange juice production. Morocco's orange juice consumption is currently estimate at about 50 million liters, of which 20 million liters come from local processing of fresh citrus and the rest is imported juice and concentrates.

Trade

Post forecasts that the 2015/16 MY orange juice imports will remain flat at 2,900 MT and exports at 4,000MT. The customs office reports imports from October 2014 to June 2015 at 2,900 MT and exports at 3,500 MT during the same period.

Table 14: PSD Orange Juice

Orange Juice	2013/2014		2014/2015		2015/2016	
Market Begin Year	Oct 2013		Oct 2014		Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	70,000	0	50,000	0	0	55,000
Beginning Stocks	0	0	0	0	0	0
Production	7,000	0	5,000	0	0	5,000
Imports	3,000	0	4,000	0	0	4,000
Total Supply	10,000	0	9,000	0	0	9,000
Exports	4,000	0	3,000	0	0	2,900
Domestic Consumption	6,000	0	6,000	0	0	6,100
Ending Stocks	0	0	0	0	0	0
Total Distribution	10,000	0	9,000	0	0	9,000
(MT)						

Source: PSD Tables and Post forecast

Export Procedures

Moroccan citrus exports are all handled by the private sector and are carried out by fully integrated cooperatives of small farmers and private companies (Moroccan as well as joint ventures with Europeans). In many cases, the exporting companies are advanced technologically and have shown great ability to adapt to constantly changing production and control requirements and meet importers' standards such as ISO standards, EUROPGAP, BRC-British Retail Consortium, and HACCP.

The non-EU markets, commonly known as "Contract Markets", include Russia, Lithuania, Saudi Arabia, Canada, and the U.S. In the past few years, these markets have accounted for over 65 percent of Morocco's total exports, up from an average of 40 percent until 2004. This shift is mostly due to a greater focus on the Russian market. Annual arrangements for these markets are

typically made between importers and Moroccan exporters to ship agreed-upon quantities and quality of fruits. These markets are mostly handled by the exporters' boards (such as the Moroccan Fruit Board) that coordinate export logistics between its members.

All exported food and agricultural products are subject to quality control by the Ministry of Agriculture's Export Quality Control Office (known as EACCE, i.e. Etablissement Autonome de Controle et de Coordination des Exportations). The EACCE ensures that the standards and the requirements of the importing country are effectively met.

Recently, the EACCE, effective January 2016 will be the only organization responsible for promoting Moroccan agricultural exports, and is planning to establish a permanent office in the Russian city of St. Petersburg to provide assistance with product arrivals, pricing and labeling.

Policy

The citrus sector is among the most organized and well managed sectors in Morocco. Due to its impact on foreign exchange revenues (about \$350 million annually) and job creation in rural areas and the economy in general, this sector has received a great deal of support from the Moroccan Green Plan. The Moroccan government plans to continue support with an ambitious strategy to increase Morocco's citrus production to 2.9 million MT by 2018 and to allocate 200,000 MT of fresh citrus production annually for juice processing by 2018 as well.

Subsidies and supports

The Moroccan government plans to continue supporting an ambitious strategy to increase Morocco's citrus production to 2.9 million MT by 2018. The Ministry of Agriculture decree (# 2-09-601) issued in October 2009 increased the support payments for new citrus plantations to \$1,197 per hectare, up from \$778 per hectare the two preceding years. In addition, there are other incentives that are not crop specific such as digging wells and purchasing of irrigation equipment that are available to citrus growers to establish new citrus orchards.

Table 15: Subsidies and Incentives Provided to the Citrus Sector

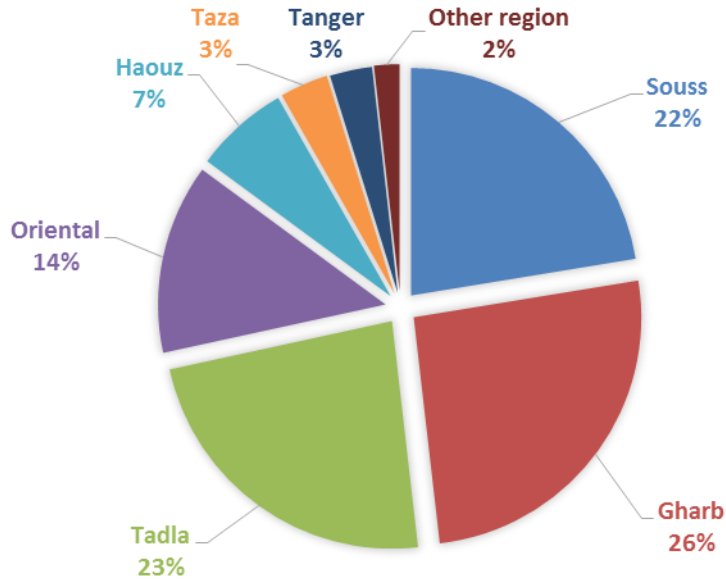
Activity	Subsidy/incentive	Comment
Aggregation Project centered around conditioning station	150 dollar/hectare for the aggregation project	Specific to citrus to encourage aggregation project
Conditioning Station	10% of the cost of construction and equipment, with a maximum of 474 thousand dollars	Specific to citrus. Subsidy depends on global cost of the conditioning station,
Digging new wells and installing irrigation equipment	100 percent of cost with a maximum cumulated of 3,292 dollars (an additional maximum of 1,795 dollar/hectare could be added if a water basin is built).	Not specific to citrus.
Investment Premium for new citrus plantation	1197 dollars/hectare when certified plants are used.	Specific to fresh citrus.
Export promotion to diversify	20 dollars for each MT exported to Russia	Specific to fresh citrus. Could

export destinations (subsidy if exported to non EU countries)	or incremental exports to other non-EU destinations (use exports in My 2000/2001 as basis)	probably be phased out for Russia as this market accounts for almost 50 percent total exports.
Export promotion to diversify export destinations (subsidy provided to exports to non EU or Russian markets)	50 dollars/MT for exports outside the Russian and EU markets, and exceeding export levels for periods between September 1, 2000 and August 31, 2001.	Specific to fresh citrus.

Source: MoA, ADA publication 2015.

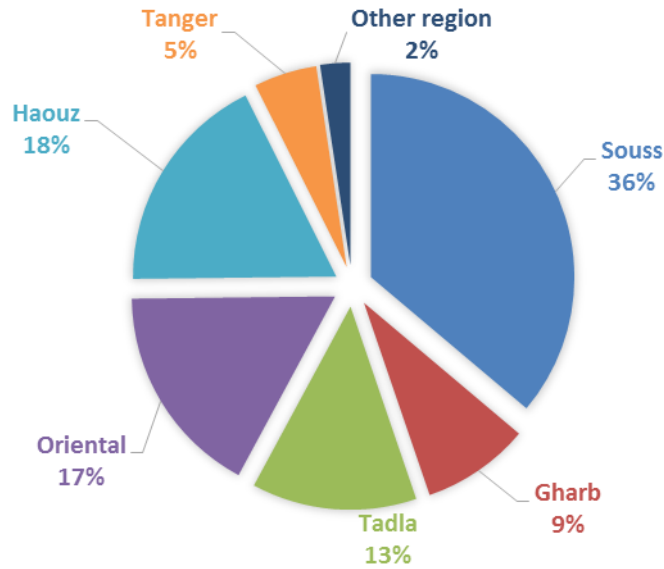
ANNEX

Figure 4: Orange Production Regions



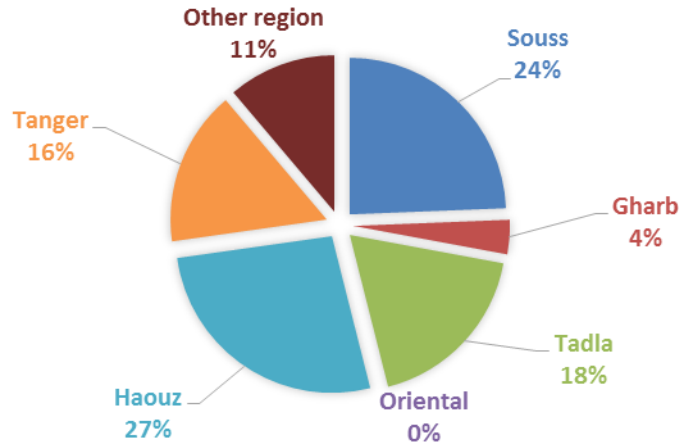
Source: MoA, Maroc Citrus.

Figure 4: Tangerines/Mandarins Production Regions



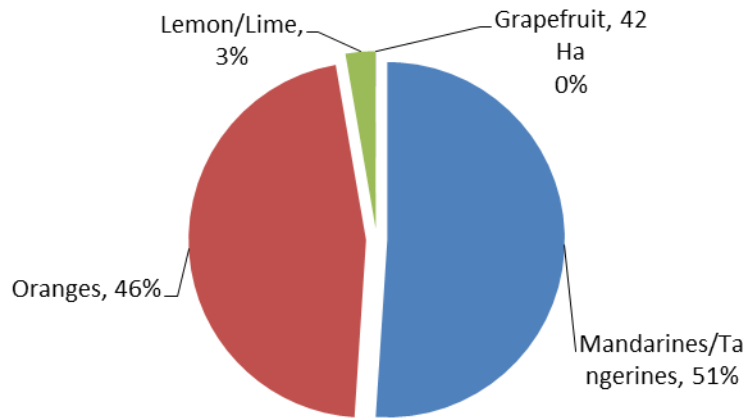
Source: MoA, Maroc Citrus.

Figure 5: Lemons/Limes Production Regions



Source: MoA, Maroc Citrus.

Figure 6: Distribution of Citrus Production



Source: MoA, Maroc Citrus

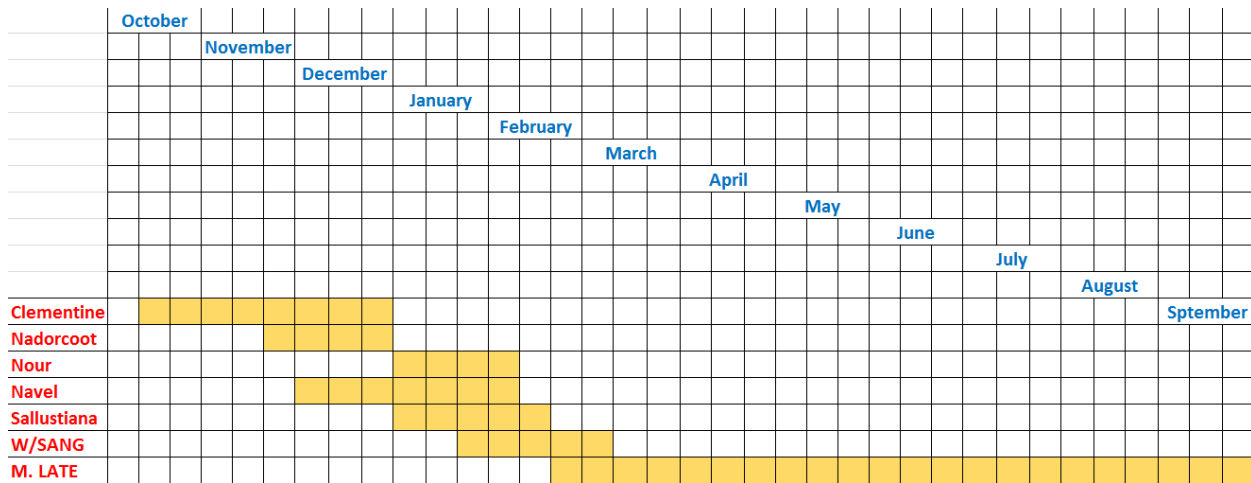
Table 16: Morocco Harvest Period for Citrus

Citrus	Harvest Period
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Mandarins/Tangerines	
Clementine	October - January
Nour	December- January
Ortanique	January- April
Nova	November- December
Others(Nadorcott)	November- December
Oranges	
Navel	December- January
Sanguine	December- January
Maroc-Late	March- June
Salustiana	December- February

Source: MoA,

Table 17: Morocco's citrus exports schedule



Source: Maroc Citrus.