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Morocco

Citrus Annual

High Temps Hit Production

Approved By:

Morgan Haas

Prepared By:

Mohamed Fardaoussi

Report Highlights:

In MY 2017/18, Morocco's citrus exports will be negatively impacted by a poor harvest brought about by high temperatures in July-August, which largely limited mandarin/tangerine production prospects during blossoming and fruit-setting. In MY 2017/18, Post forecasts Morocco's tangerine/mandarin exports at 420,000 MT (down from 515,000 in 2016/17) orange exports at 100,000 MT (down from 163,000 MT) and lemon/lime exports at 9,000 MT (down from 13,000 MT).

Citrus Overview

Citrus is considered one of Morocco's most successful and best organized agricultural sectors. The sector's ability to generate \$350 million annually in foreign currency and support local job creation has made it favored in recent years, primarily through implementation of the [Moroccan Green Plan, 2008-2020](#), which originally set a target of increasing Morocco's citrus production from 1.9 to 2.9 MMT by 2018 through the investment of 9 billion dirham (\$1.0-1.2 billion), of which one-third would come from the state. Most recently, in December 2017, Morocco received a \$200 million loan from the World Bank to support continued development of its citrus (and olive) value-chain. The Ministry of Agriculture's current agricultural development fund, issued in April 2017, also continues to expand its domestic support programs, which included increasing the subsidy for new citrus plantations to \$1,162/ha, up from \$778/ha the two years preceding.

Subsidies and Incentives for the Citrus Sector

Program	Subsidy	Comment
Aggregation project	\$150/ha for aggregation project centered around conditioning station	Citrus-specific
Conditioning station	10% of the cost of construction and equipment, with a maximum of \$474,000	Citrus-specific
Digging new wells and installing irrigation equipment	100% of the cost up to \$3,292, and an additional maximum of \$1,795/ha if a water basin is built.	Non-product specific
Investment premium for new citrus plantation	\$1,162/ha subsidy for certified plants	Citrus-specific
Export diversification	\$20/MT to Russia for all exports; \$20/MT to other non-EU destinations for export levels above MY 2000/01	Citrus-specific
Export diversification	\$50/MT to all destinations other than Russia and the European Union for export levels above MY 2000/01	Citrus-specific

Source: [MoA/ADA](#) – http://www.agriculture.gov.ma/sites/default/files/fda2017/FDA_2017_VF.pdf

While Morocco's primary export markets include the European Union and Russia, it is increasingly looking to expand new opportunities in the Middle East and Sub-Saharan Africa, although suppliers have noted recent payment problems from Sub-Saharan Africa buyers as a limiting factor. Most Moroccan citrus exports go through [Moroccan Fruit Board S.A. Company](#), a group of seven producers/exporters, including Groupe d'Exportation des Domaines Agricoles (Geda), La Cooperative Agricole (COPAG), Delassus, Salam, Kantari Group (GKB), Sogecap, and Maroc Taswiq, and are sold using the Maroc Sélect brand.



In MY 2017/18, Morocco's citrus exports will be negatively impacted by a poor harvest brought about by high temperatures in July-August, which specifically limited mandarin/tangerine production prospects during blossoming and fruit-setting.

Summary of Post's Citrus PSDs (1,000MT)

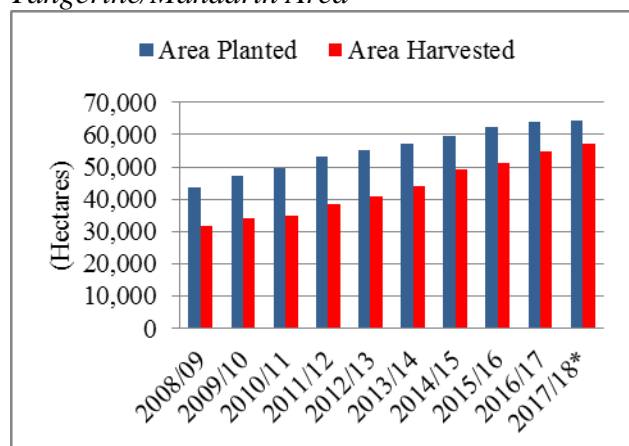
Citrus	MY 2016/17			MY 2017/18		
	Production	Domestic Consumption	Exports	Production	Domestic Consumption	Exports
Tangerines/Mandarins	1,287	763	515	1,020	600	420
Oranges	1,037	824	163	935	800	100
Lemons/Limes	40	27	13	36	27	9

Tangerines/Mandarins, Fresh

Production:

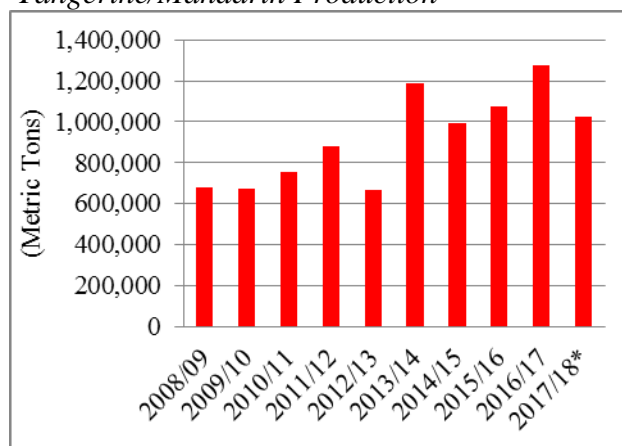
Post forecasts Morocco's tangerine/mandarin production for MY 2017/18 at 1.0 MMT, a decline of 20 percent compared to MY 2016/17. High temperatures hit most growing regions during the blossoming and fruit-setting period. According to trade sources, many orchards in the Agadir and Berkane regions suffered up to 25-30 percent losses in clementine's fruit-setting.

Tangerine/Mandarin Area



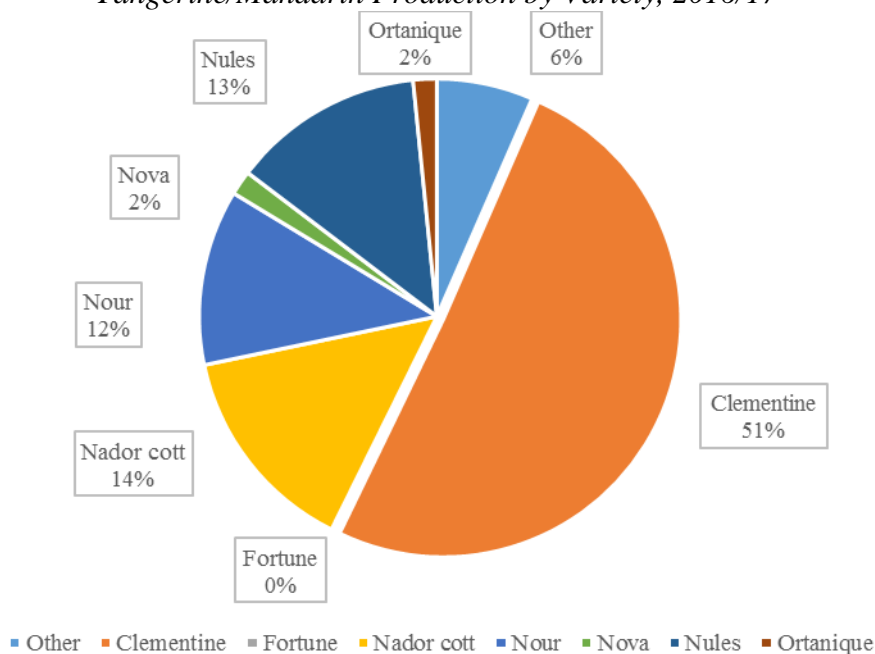
Source: [MoA](#) (2008/09-2016/17), Post (2017/18)

Tangerine/Mandarin Production



Amid 47 varieties cultivated in Morocco, clementines represent half of tangerine/mandarin production, with hybrids like Nadorcott (Afourer) and Nova gaining popularity.

Tangerine/Mandarin Production by Variety, 2016/17



Source: [Maroc Citrus](#), Post

Consumption:

Post forecasts tangerine/mandarin domestic consumption at 600,000 MT in MY2017/18, a decline of 22 percent over 2016/17 as per capita consumption falls back near 2015/16 levels which featured similar market conditions. Post also lowers MY 2016/17 domestic consumption from 768,000 MT to 763,000 MT, reflecting remaining available supply in the balance sheet after accounting for year-end trade.

Trade:

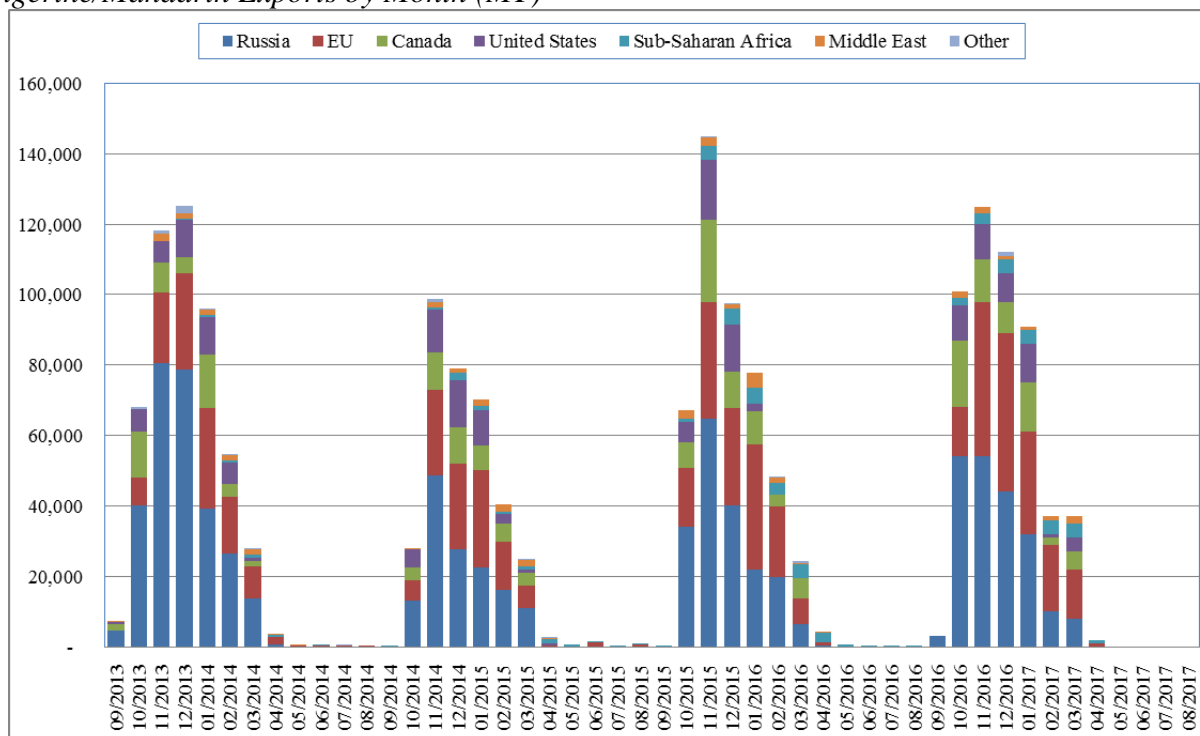
Post projects tangerine/mandarin exports for MY 2017/18 at 420,000 MT, 18 percent lower than MY 2017/16, based on lower remaining supply. Russia and the European Union remain Morocco's primary export destinations. Opportunities in the United States have been limited in 2017/18 as a result of MedFly-related restrictions in the Berkane region. Post also updates MY 2016/17 exports from 510,000 MT to 515,000 MT on year-end trade data.

Tangerine/Mandarin Exports (1,000 MT) by Marketing Year (Sep-Aug)

Partner Country	2013/14	2014/15	2015/16	2016/17	% Change
Russia	284,041	139,339	187,801	206,610	10%
EU	112,416	104,057	141,516	166,614	18%
Canada	48,080	40,155	58,884	62,030	5%
United States	41,542	45,015	38,550	42,803	11%
Sub-Saharan Africa	3,360	8,373	25,328	25,375	0%
Middle East	8,025	8,958	12,340	9,466	-23%
Other	3,449	1,024	976	1,947	99%
Total	500,913	346,921	465,395	514,845	11%

Source: Office des Changes

Tangerine/Mandarin Exports by Month (MT)



Source: Office des Changes

Tangerine/Mandarin Production, Supply & Distribution

Tangerine/Mandarin,	2015/2016	2016/2017	2017/2018
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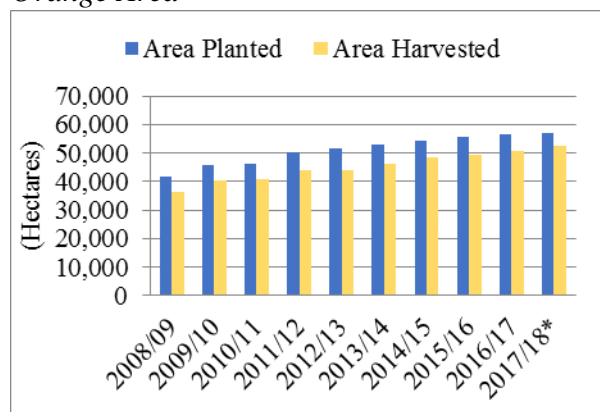
Oranges, Fresh

HS-080510

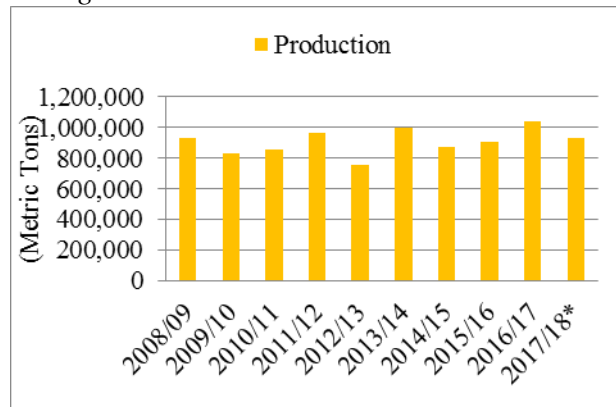
Production:

Post forecasts Morocco's orange production for MY 2017/18 at 935,000 MT, a decline of 10 percent over MY 2016/17. Benefiting from a later growing season, Morocco's orange crop has not been as negatively impacted as tangerines/mandarins.

Orange Area



Orange Production



Source: [MoA](#) (2008/09-2016/17), Post (2017/18)

Moroccan oranges are primarily of two varieties: Maroc-Late and Navel. Producers prefer Maroc-Late oranges for their higher yields and longer shelf life.

Consumption:

Post forecasts MY 2017/18 domestic consumption of fresh oranges at 800,000 MT, a projected decline of 3 percent, along with a decline in deliveries to processors to 35,000 MT, a projected decline of 40 percent, due to lower available supplies. Post also lowers domestic consumption for MY 2016/17, based on available remaining supplies following year-end trade figures. Post adjusts MY 2015/16 to match the Orange Juice PSD.

Trade:

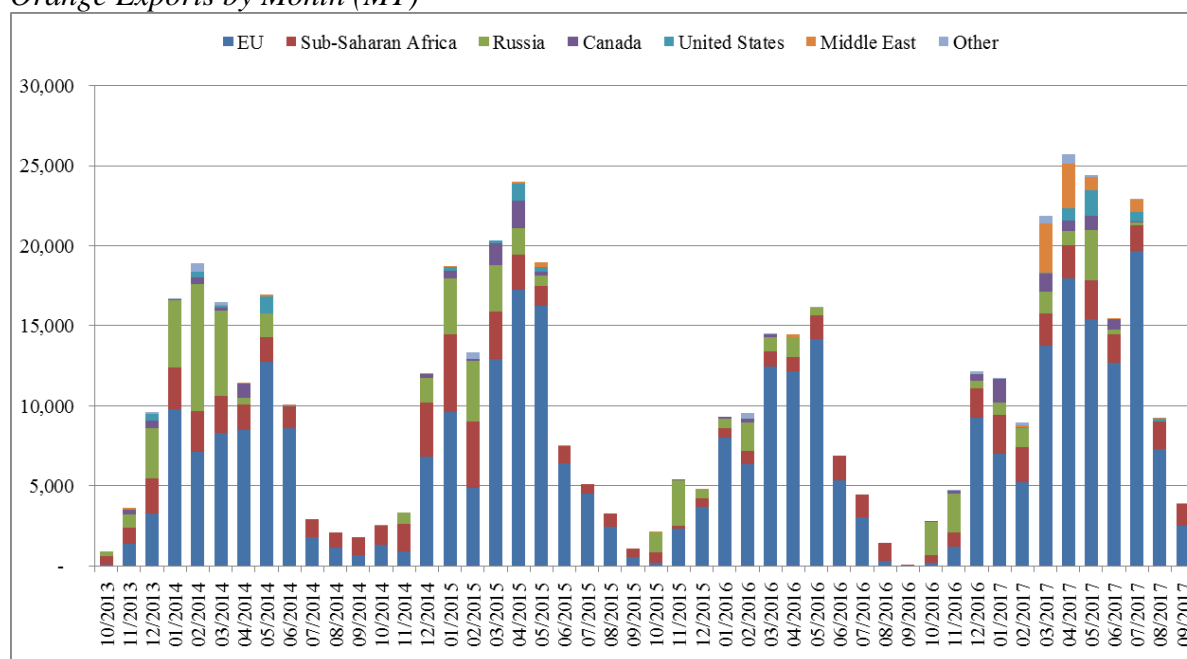
Post projects orange exports for MY 2017/18 to reach around 420,000 MT, 17 percent lower than MY 2016/17 on remaining available supplies.

Orange Exports (MT) by Marketing Year (Oct-Sep)

Partner Country	2013/14	2014/15	2015/16	2016/17	% Change
EU	63,249	83,763	67,872	112,032	65%
Sub-Saharan Africa	18,911	24,765	11,289	20,906	85%
Russia	23,669	14,721	9,524	12,708	33%
Middle East	453	610	232	7,681	3211%
Canada	2,280	4,114	561	5,523	884%
United States	2,077	1,813	0	3,276	-
Other	789	415	354	1,569	343%
Total	111,428	130,201	89,832	163,695	82%

Source: Office des Changes

Orange Exports by Month (MT)



Source: Office des Changes

Oranges Production, Supply & Distribution

Oranges, Fresh	2015/2016		2016/2017		2017/2018	
Market Begin Year	Oct 2015		Oct 2016		Oct 2017	
Morocco	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	55,804	55,804	57,040	57,040	0	57,255
Area Harvested	50,100	50,100	52,185	52,185	0	52,750
Bearing Trees	16,850	16,850	16,900	16,900	0	16,950
Non-Bearing Trees	1,540	1,540	1,585	1,585	0	1,590
Total No. Of Trees	18,390	18,390	18,485	18,485	0	18,540
Production	925	925	1,037	1,037	0	935
Imports	0	0	0	0	0	0
Total Supply	925	925	1,037	1,037	0	935
Exports	89	89	120	163	0	100
Fresh Dom. Consumption	801	811	867	824	0	800
For Processing	35	25	50	50	0	35
Total Distribution	925	925	1,037	1,037	0	935

(HECTARES) ,(1000 TREES) ,(1000 MT)

Orange Juice (65° brix basis)

HS-200911, 200912, 200919

Production:

Post forecasts orange juice production for MY 2017/18 at 35,000 MT, 43 percent lower than MY 2016/17 on less availability for processing.

Trade:

For MY 2017/18, Post forecasts orange juice exports lower to 3,000 MT and imports higher to 3,100 MT following lower production. Morocco began exporting significant volumes of single-strength orange juice in MY 2016/17 to the Netherlands and France.

Orange Juice Imports by Source (MT @ 65°)

Product	conv. factor	2012/13	2013/14	2014/15	2015/16	2016/17	% Change
2009.11: Frzn	1.0154	2,865	829	333	1,957	1,851	-5%
2009.12: Not Frzn, ≤20 Brix	0.1815	3	3	1	13	4	-71%
2009.19: Not Frzn, Other	1.0000	1,868	2,087	1,050	1,244	1,227	-1%
Total (65° Basis)		4,737	2,919	1,384	3,213	3,082	-4%

Source: Office des Changes

Orange Juice Exports by Destination (MT @ 65°)

Product	conv. factor	2012/13	2013/14	2014/15	2015/16	2016/17	% Change
2009.11: Frzn	1.0154	439	252	982	739	552	-25%
2009.12: Not Frzn, ≤20 Brix	0.1815	1	11	66	11	1,114	10027%
2009.19: Not Frzn, Other	1.0000	1,371	3,969	2,568	2,156	2,115	-2%
Total (65° Basis)		1,810	4,232	3,616	2,906	3,782	30%

Source: Office des Changes

Consumption: Post forecasts MY 2017/18 domestic consumption at 3,600 MT down 16 percent over the previous season on lower supplies. Post also revised its earlier forecast for MY2016/17 from 3,000MT to 4,300 based on industry market intelligence.

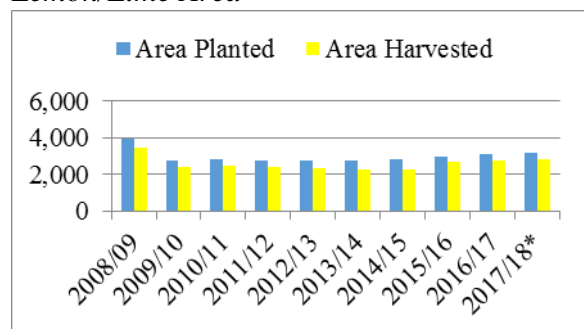
Orange Juice Production, Supply & Distribution

Orange Juice (65° Basis)	2015/2016		2016/2017		2017/2018	
Market Begin Year	Oct 2015		Oct 2016		Oct 2017	
Morocco	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors (MT)	25,000	25,000	50,000	50,000	0	35,000
Beginning Stocks	0	0	0	0	0	0
Production	2,500	2,500	5,000	5,000	0	3,500
Imports	3,213	3,213	2,500	3,082	0	3,100
Total Supply	5,713	5,713	7,500	8,082	0	6,600
Exports	2,906	2,906	4,500	3,782	0	3,000
Domestic Consumption	2,807	2,807	3,000	4,300	0	3,600
Ending Stocks	0	0	0	0	0	0

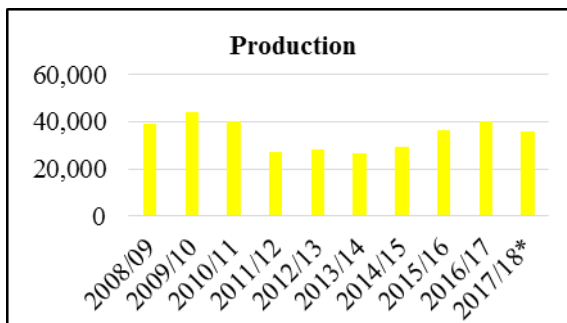
Total Distribution	5,713	5,713	7,500	8,082	0	6,600
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HS-080550

Lemon/Lime Area



Lemon/Lime Production



Trade: Post projects lemon/lime exports for MY 2017/18 to reach 9,000 MT, 31 percent lower than MY 2017/16 on lower available supplies.

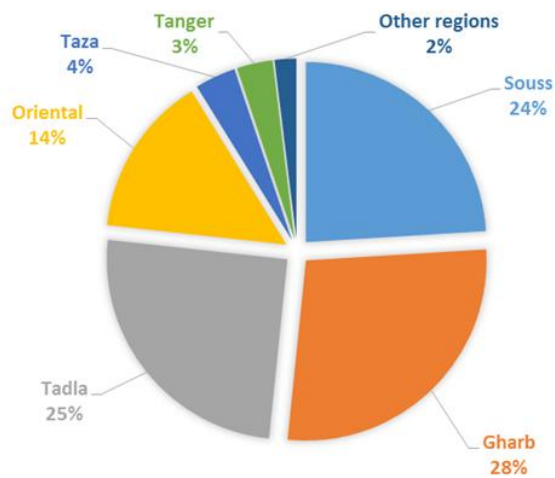
Partner Country	2012/13	2013/14	2014/15	2015/16	2016/17	% Change
Russia	3,849	4,411	2,978	3,737	6,834	83
EU28	1,595	1,527	1,272	3,217	1,757	-45
Canada	97	827	1,052	82	990	1107
United States	-	417	46	-	-	n/a
Other	7,582	7,821	2,135	2,280	3,307	45
Total	13,123	15,003	7,483	9,316	12,888	38

Lemons/Limes Production, Supply & Distribution

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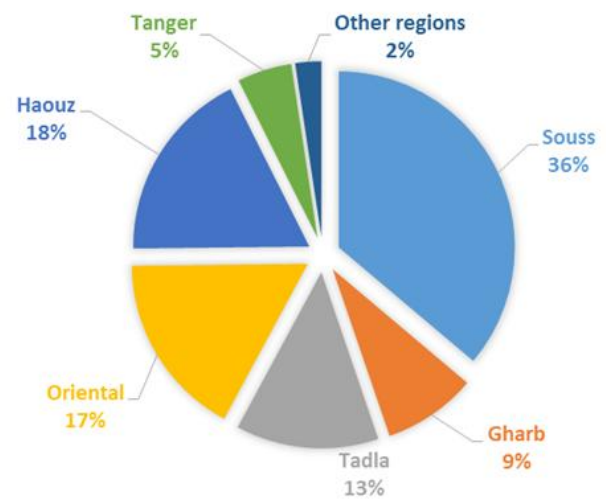
ANNEX

Orange Production, MY 2016/17



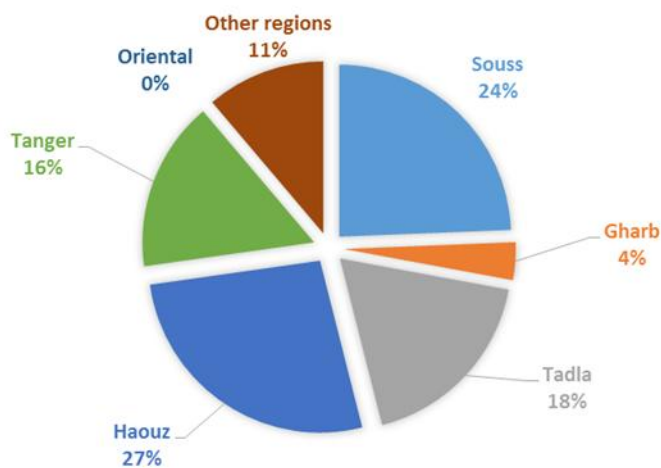
Source: [MoA](#), [Maroc Citrus](#)

Tangerine/Mandarin Production, MY 2016/17



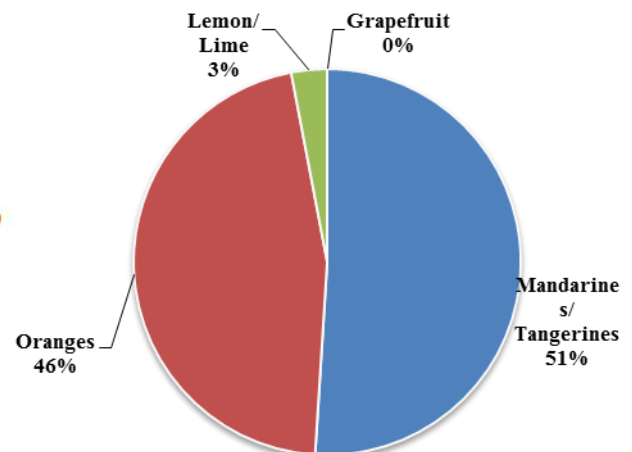
Source: [MoA](#), [Maroc Citrus](#)

Lemon/Lime Production, MY 2016/17



Source: [MoA](#), [Maroc Citrus](#)

All Citrus Production, MY 2016/17



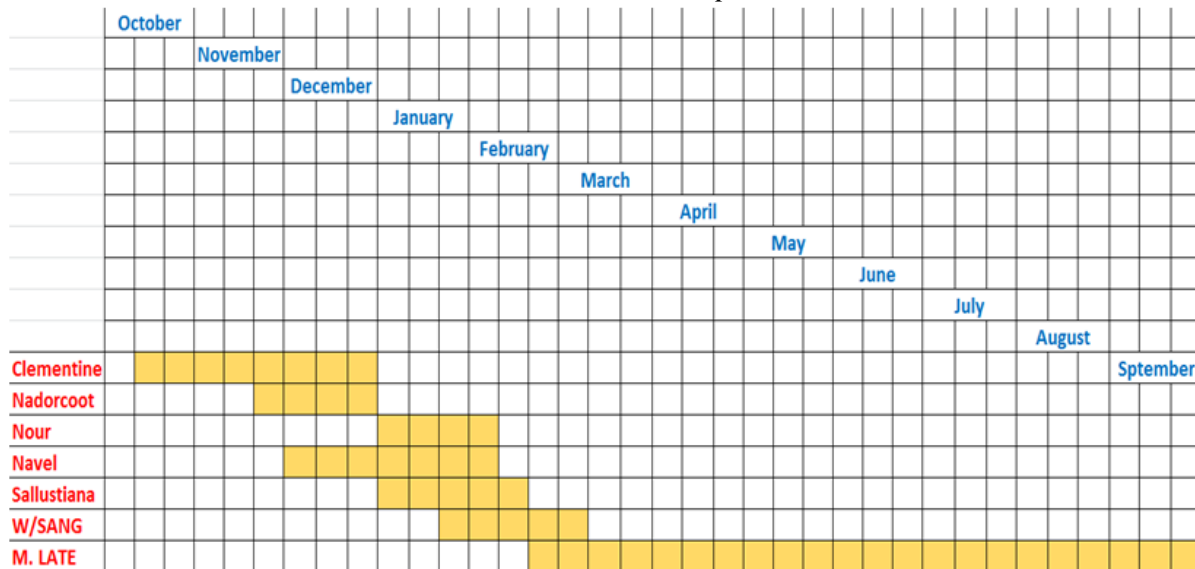
Source: [MoA](#), [Maroc Citrus](#)

Morocco's Harvest Period for Citrus

	Harvest
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](#), [Maroc Citrus](#)

Morocco's Citrus Export Schedule



Source: [Maroc Citrus](#)