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Morocco

Citrus Annual

2016 Morocco Citrus Annual Report

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Report Highlights:

Post projects that Morocco's citrus production for MY 2016/17 will reach an estimated 2.3 million metric tons, increasing 15 percent over the previous marketing year. Orange production should increase by 4 percent over the previous year to 962,250 MT, while tangerine/mandarin production should increase by 24 percent to 1,325,246 MT. Much of the increase in production will be due to increases in the area harvested, as younger trees begin to bear fruit. Orange exports should reach around 120,500 MT, while tangerine/mandarin exports should total about 510,350 MT. Increases in exports will be largely due to more fruits being made available to satisfy the growing demand from Russia and the EU coupled with Morocco benefitting from an expected decline in citrus exports from Spain due to quality issues caused by over-abundant, late rainfall.

Harmonized System (HS) Codes:

Oranges 080510

Tangerines/Mandarins 080520

Lemons 080550

Orange Juice 200911, 200912, 200919

Abbreviations used in this report:

ASPAM Moroccan Citrus Producers Association

EU European Union

EACCE Establishment Autonomous of Control and Export Coordination

GTA Global Trade Atlas

MT Metric Ton (1,000 kg)

MMT Million Metric Tons

MoA Ministry of Agriculture

MOC Morocco's 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/
Establishment Autonomous of Control and Export Coordination (EACCE)	http://web2.eacce.org.ma/

Exchange rate

\$1 = 9.969 MAD (source: Oanda, 12/13/2016)

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

Citrus	MY 2015/16			MY 2016/17		
	Production	Domestic Consumption	Exports	Production	Domestic Consumption	Exports
Oranges	925	777	93	962	780	120
Tangerines/Mandarins	1,064	584	481	1,325	815	510
Lemons/Lime	35	26	9	36	26	10
Total	2,024	1,387	583	2,323	1,621	640

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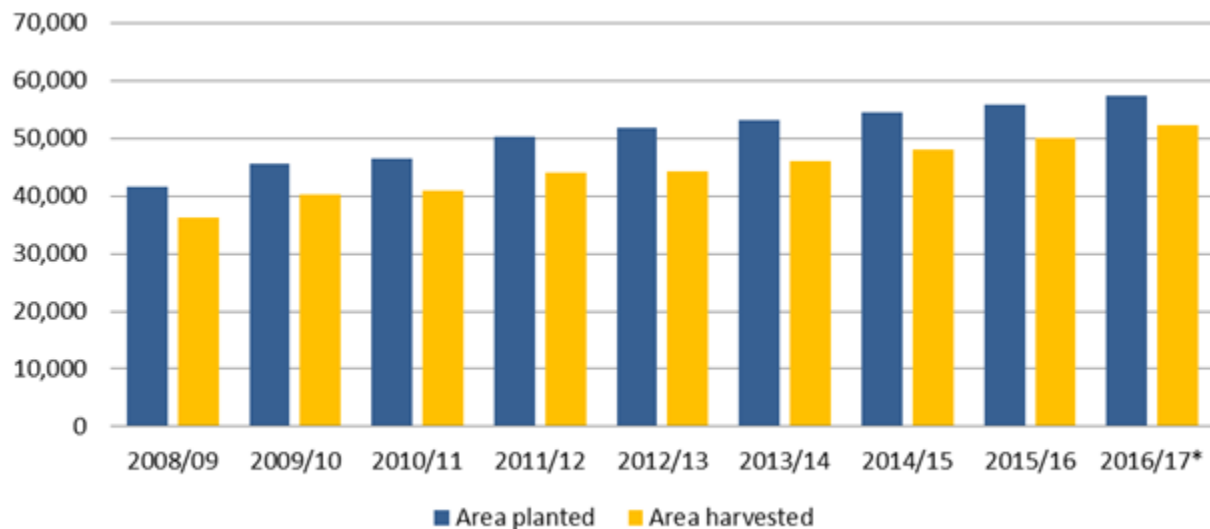
Commodities

Oranges, Fresh

Production

Morocco's, planted area for oranges has grown steadily since MY 2008/09. As seen in Figure 1, the area has increased by 38 percent from 41,539 hectares in MY 2008/09 to 57,040 hectares in MY 2016/17. The total area for oranges harvested has grown by at least four percent from 50,100 hectares in the MY 2014/15 to 52,185 hectares in the MY 2015/16.

Figure 1: Area Planted and Harvested to Oranges



Source: MoA, MC. * Post estimate

Post forecasts that MY 2016/17 orange production will increase slightly, by about 4 percent, to 962,250 MT, up from the previous year's 922,729 MT. The increase in orange production will be as a result of improved irrigation methods and the increase in the area harvested, as young trees begin to bear fruit.

Moroccan oranges are primarily of two varieties: Maroc-Late and the Navels. Producers prefer Maroc-Late oranges over Navels for their growing characteristics that enable higher yields and maintain a longer shelf life than Navels.

Table 2: Oranges Production by volume (1,000 MT)

Marketing Year	2013/14	2014/15	2015/16	2016/17*	% Change
Maroc-Late	494	405	445	464	4%
Navel	370	317	330	347	5%
Sanguine	28	25	23	24	4%
Salustiana	78	70	76	79	4%
Other Orange	30	33	48	47	-2%
Total Oranges	1,000	868	922	962	4%

Source: MC, MoA, * Post estimation

Consumption

Post forecasts that, based on consumer demand, domestic consumption of oranges for MY 2016/17 will increase slightly by 0.3 percent up from the previous year to reach about 780,000 MT. Oranges are the most popular citrus consumed in Morocco, with annual per capita consumption estimated at 20 kg.

Trade

According to the Morocco's Office of Changes (MOA) (statistics office), total orange exports in MY 2015/16 amounted to 92,246 MT. The EU and Russia bought 73 percent of Morocco's orange exports in MY 2015/16; about 23 percent lower than in the previous year. These orange exports were mostly Maroc Late or Navel oranges.

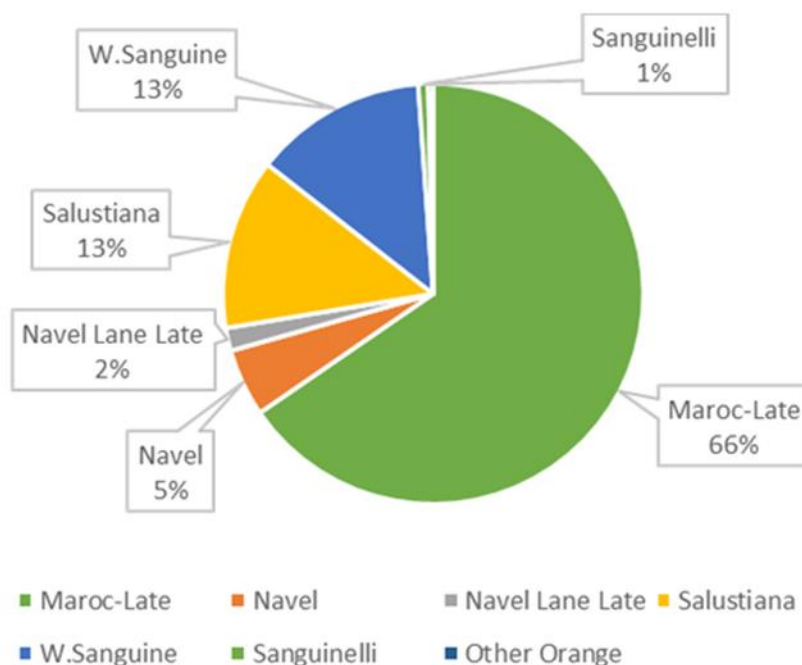
Post projects total orange exports for MY 2016/17 to reach 120,500 MT, about 29 percent higher than exports in MY 2015/16. The increase in exports is explained by additional fruit being available to meet growing demand from the EU and Russia, added to the likelihood of Morocco benefitting from a decline in Spain's orange quality due to over-abundant, late rainfall.

Table 3: Orange Exports by Destination (in MT)

Marketing Year	2013/14	2014/15	2015/16	% Change 2015-2016
Netherlands	44,014	47,088	27,009	-43%
Russia	23,816	14,721	11,684	-21%
Sweden	12,460	19,490	464	-98%
United States	2,076	1,813	-	-100%
France	3,207	7,029	28,180	301%
Canada	2,281	4,114	562	-86%
Mauritania	10,428	9,605	6,393	-33%
Senegal	6,292	11,753	3,526	-70%
Other country	6,855	26,341	14,428	-45%
Total Export	111,429	134,077	93,325	-29%

Source: Morocco Office of Changes, GTA

Figure 2: Orange exports by variety



Source: MoA, Office of Changes and EACCE/ * Post estimation

Table 4: PS&D Orange, Fresh

Oranges, Fresh	2014/2015		2015/2016		2016/2017	
	Oct 2014		Oct 2015		Oct 2016	
Market Begin Year	Oct 2014		Oct 2015		Oct 2016	
Morocco	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	54,536	54,536	55,804	55,804	0	57,040
Area Harvested	48,067	48,067	50,100	50,100	0	52,185
Bearing Trees	16,800	16,800	16,850	16,850	0	16,900
Non-Bearing Trees	1,500	1,500	1,540	1,540	0	1,585
Total No. Of Trees	18,300	18,300	18,390	18,390	0	18,485
Production	868	868	925	925	0	962
Imports	0	0	0	0	0	0
Total Supply	868	868	925	925	0	962
Exports	125	134	90	93	0	120
Fresh Dom. Consumption	693	684	780	777	0	780
For Processing	50	50	55	55	0	62
Total Distribution	868	868	925	925	0	962
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PS&D/USDA; * Post forecast

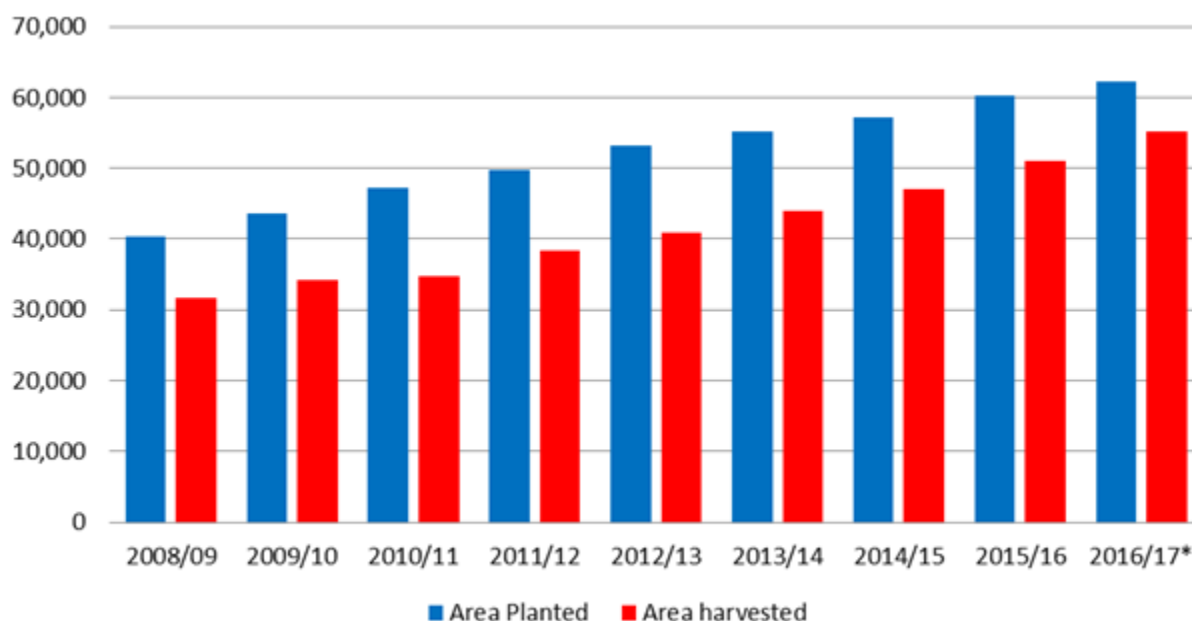
Commodities:

Tangerines/Mandarins, Fresh

Production

The area planted with tangerines/mandarins in Morocco has grown steadily since MY 2008/09, increasing by 45 percent, from 43,668 hectares to 63,420 hectares in MY 2016/17. The total tangerine/mandarin harvested area rose significantly, increasing 75 percent, from 31,603 hectares in MY 2008/07 to 55,167 hectares in MY 2015/16.

Figure 3: Area Planted and Harvested - Tangerines/Mandarins



Source: MoA, MC, * Post estimate

Post forecasts that Morocco's MY 2016/17 production of tangerines/mandarins will increase by 24 percent over the previous year to 1,325,246 MT. This increase in production will likely come as a result of improved irrigation practices and rejuvenation of old tangerine/mandarin orchards leading to increases in the area harvested.

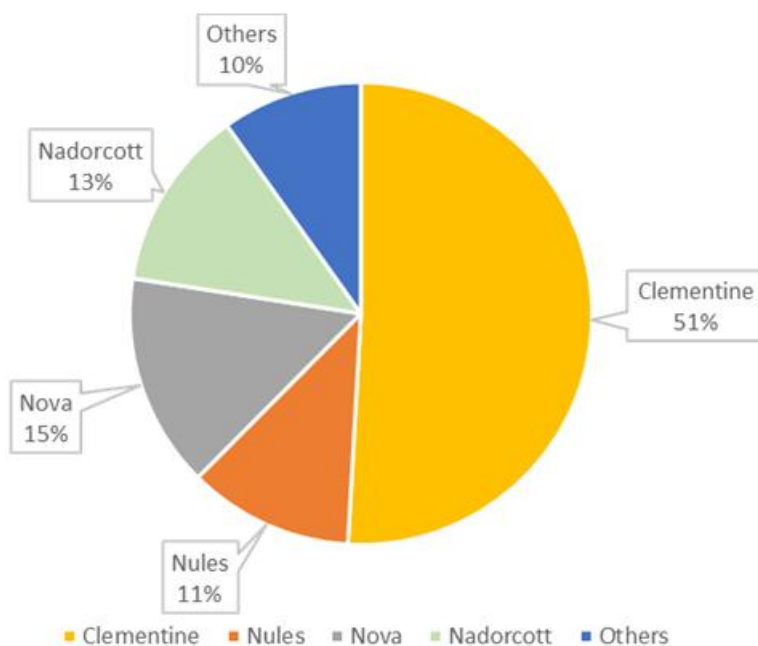
Table 5: Tangerine/Mandarin Production by Region (in MT)

Regions	2014/15	2015/16	2016/17	% change
SOUSS	382,500	419,432	505,245	20.46%
ORIENTAL	195,026	156,043	257,610	65.09%
AL HAOUZ	145,173	169,534	191,759	13.11%
TADLA	127,187	153,081	168,001	9.75%
GHARB	109,706	114,760	144,911	26.27%
TANGER	20,152	29,421	26,618	-9.53%
TAZA	11,341	10,341	14,980	44.86%
Other region	12,206	11,629	16,122	38.64%
Total	1,003,291	1,064,241	1,325,246	24.52%

Source: Maroc Citrus, MoA, * Post estimate

Tangerine/mandarin production is dominated by clementine-type varieties such as Nules, Deverdis and Late Clementine, with Nova projected to increase by 51 percent and Nadorcott by 13 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 in popularity. These varieties have the advantage of being of a higher quality and a later harvest that extends the marketing season through February and thus increases their availability to the export markets.

Figure 4: Tangerine/Mandarin Production by variety - MY2016/17



Source: Maroc citrus, MoA, * Post estimate

Consumption

Post forecasts that the MY 2016/17 domestic consumption of tangerines/mandarins at 815,000 MT, a projected increase of 39 percent over the previous season. Consumption continues to grow along with increased availability. The high quality, desirable taste, and lower prices compared to the other fruits have made tangerines/mandarins Moroccans' next most favorite fruit after oranges. Annual per capita consumption is estimated at 13 kg.

Trade

Data from Morocco's Office of Changes (statistics office) indicate that total tangerine/mandarin exports in MY 2015/16 were 481,385 MT, about 16 percent higher than the previous year, with Europe and Russia being the top markets. Currently, there is increasing emphasis on trying to expand the market to the Middle East and Africa.

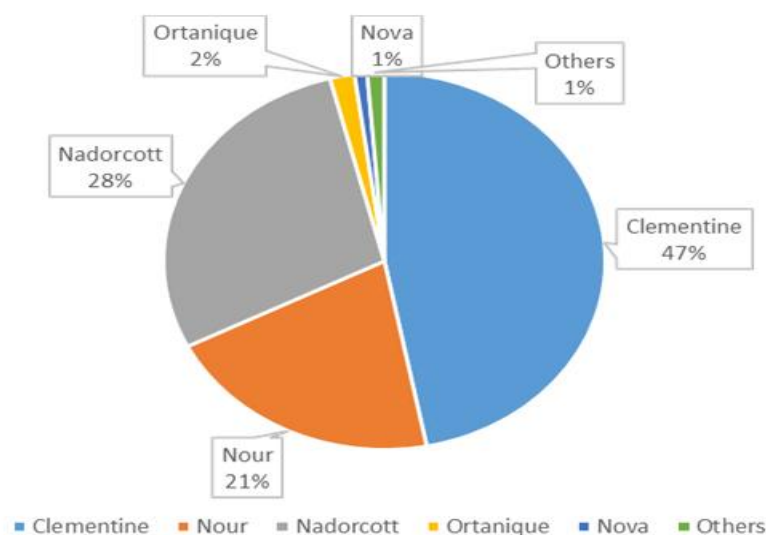
Table 6: Tangerine/Mandarin Exports by Destination (in MT)

Marketing Year	2013/14	2014/15	2015/16	% Change
Russia	279,560	173,484	202,775	17%
Netherlands	48,500	54,982	46,755	-15%
Canada	46,223	47,394	58,884	24%
United States	40,817	50,015	38,550	-23%
Sweden	24,651	30,989	10,543	-66%
France	24,449	20,436	73,742	261%
United Kingdom	9,428	7,380	8,930	21%
Senegal	1,801	4,198	13,587	224%
Mauritania	997	3,113	9,699	212%
Other countries	17,405	12,381	17,920	45%
Total Export	493,831	414,210	481,385	16%

Source : Moroccan Office of Changes,

Morocco's tangerine/mandarin exports to the United States (mostly clementines) totaled 38,550 MT in MY 2015/16, about 23 percent lower than exports in MY 2014/15, due to the ban imposed by the United States in early 2016. USDA's Animal and Plant Health Inspection Service (APHIS) issued a Federal Order on January 29, 2016, banning imports of tangerines, clementines, mandarins and sweet oranges from Morocco, when medfly larvae were found in a shipment of clementine during port inspections. The United States subsequently reopened the market to Moroccan citrus, on October 13, 2016, after APHIS determined that the recommended pest risk mitigation measures and cold treatment implemented by Morocco were working effectively.

Figure 5: Tangerine/Mandarin Exports by Variety (in MT)



Source: Moroccan Office of Changes, * Post estimate

Post forecasts that Morocco's MY 2016/17 export of tangerines/mandarins will increase by 6 percent over MY 2015/16 to reach around 510,350 MT. The increase in exports will likely come from demand from expanding markets in the Middle East and Africa.

Table 7: PS&D Tangerines/Mandarins

Tangerines/Mandarins, Fresh	2014/2015		2015/2016		2016/2017	
	Oct 2014		Oct 2015		Oct 2016	
Market Begin Year	Oct 2014		Oct 2015		Oct 2016	
Morocco	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	60,227	60,227	62,181	62,181	0	63,420
Area Harvested	47,140	47,140	50,100	50,100	0	55,167
Bearing Trees	19,300	19,300	19,700	19,700	0	19,800
Non-Bearing Trees	6,412	6,412	6,610	6,610	0	6,730
Total No. Of Trees	25,712	25,712	26,310	26,310	0	26,530
Production	1,003	1,003	1,065	1,065	0	1,325
Imports	0	0	0	0	0	0
Total Supply	1,003	1,003	1,065	1,065	0	1,325
Exports	353	414	460	481	0	510
Fresh Dom. Consumption	650	589	605	584	0	815
For Processing	0	0	0	0	0	0
Total Distribution	1,003	1,003	1,065	1,065	0	1,325
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PS&D/USDA, * Post forecast

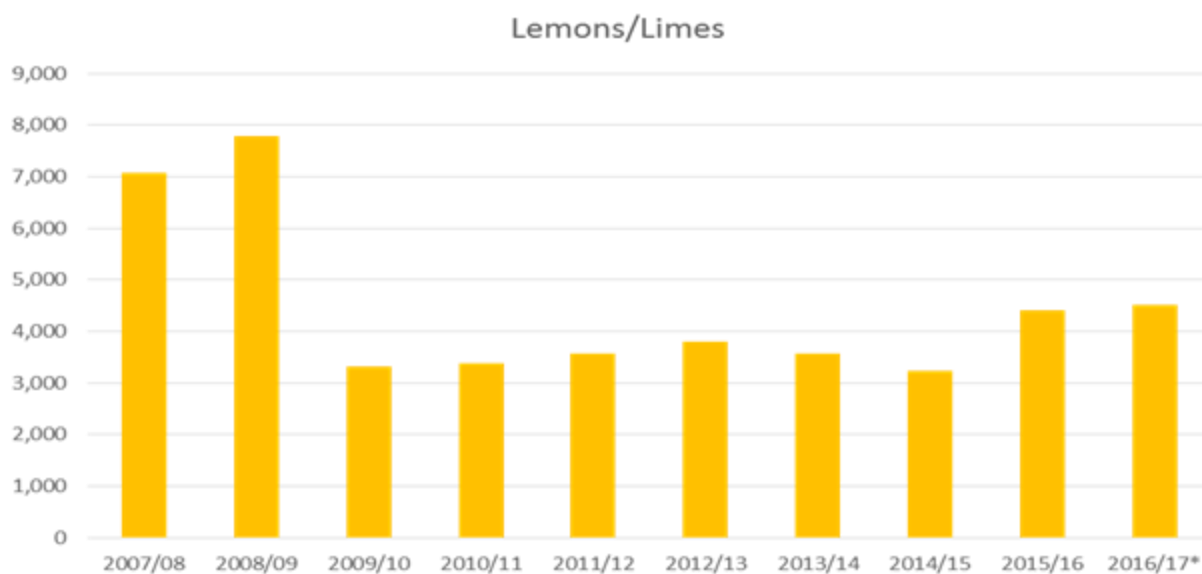
Commodities:

Lemons, Fresh

Production

The area planted for lemons/limes has declined since MY 2008/09 by 51 percent, from 7,789 hectares in MY 2008/2009 to 3,820 hectares in MY 2016/17, to the benefit of the area for oranges and tangerines/mandarins.

Figure 6: Area Planted in Lemons/Limes



Source: MoA, *Maroc citrus*

Post forecasts that Morocco's MY 2016/17 production of lemons/limes in will increase by three percent over the previous year to 36,200 MT. The rise in lemon/lime production will be mainly due to an increase in both the area harvested and small-scale, manual irrigation.

Table 8: Lemon/Lime Production by volume (1,000 Metric Tons)

Marketing Year	2012/2013	2013/14	2014/15	2015/16	2016/17*	% Change
Lemon/Lime**	47.5	42.4	29.6	35.2	36.2	3%
Total Fresh Citrus	1,494	2,204	1,906	2,024	2,323	16%

Source: MoA, DSS, * Post estimate

** includes grapefruits

Consumption

In MY 2016/17, Post forecasts Morocco's domestic consumption of lemon/lime will remain unchanged from the previous season at 28,200 MT. Lemon/lime annual per capita consumption is estimated at 1.3 kg.

Trade

Lemon/lime exports account for only a tiny share of Morocco's citrus export industry, which is dominated by tangerines/mandarins and oranges at 98 percent of total citrus exports.

Table 9: Lemon/Lime Exports (MT)

Marketing Year	Metric Tons			
	2013/14	2014/15	2015/16	2016/17*
Lemon/Lime*	10,494	6,900	9,022	10,005

Source: EACCE and MC//* Post estimate

Post forecasts MY 2016/17 lemon/lime exports to increase by 10 percent to 10,005 MT based on a slight increase in production and consumption remaining unchanged. Post revised upwards the MY 2015/16 export to 9,022 MT, based on the updated GTA data. Russia, Mauritania and Senegal are Morocco's major export markets.

Table 10: PSD Lemons/Limes

Lemons/Limes, Fresh	2014/2015		2015/2016		2016/2017	
	Oct 2014		Oct 2015		Oct 2016	
Market Begin Year	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Morocco						
Area Planted	3,235	3,235	3,750	3,750	0	3,820
Area Harvested	2,800	2,800	2,920	2,920	0	2,950
Bearing Trees	1,500	1,500	1,550	1,550	0	1,560
Non-Bearing Trees	325	325	335	335	0	375
Total No. Of Trees	1,825	1,825	1,885	1,885	0	1,935
Production	30	30	35	35	0	36
Imports	0	0	0	0	0	0
Total Supply	30	30	35	35	0	36
Exports	8	8	7	9	0	10
Fresh Dom. Consumption	22	22	28	26	0	26
For Processing	0	0	0	0	0	0
Total Distribution	30	30	35	35	0	36
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Commodities

Orange Juice

Production

The citrus processing sector in Morocco is facing stiff competition from the fresh citrus market in sourcing raw materials. This is mainly due to the low prices offered by orange juice processors compared to prices offered by the fresh fruit 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 the local market. Fresh oranges delivered to juice processors are currently estimated at about 53,000 MT annually.

Consumption

The local market consumes more than 70 percent of the overall orange juice production. Morocco's orange juice consumption is currently estimated 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 MY 2016/17 orange juice imports will increase slightly to 4,000 MT and exports at 3,000 MT. Morocco's customs office reports imports from September 2015 to October 2016 at 3,238 MT and exports at 2,946 MT for the same period.

Table 11: PSD Orange Juice

Orange Juice	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct 2014		Oct 2015		Oct 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Morocco						
Deliv. To Processors	50,000	50,000	55,000	55,000	0	62,000
Beginning Stocks	0	0	0	0	0	0
Production	5,000	5,000	5,000	5,000	0	5,500
Imports	4,000	3,091	4,000	3,238	0	4,000
Total Supply	9,000	8,091	9,000	8,238	0	9,500
Exports	3,000	3,091	2,900	2,946	0	3,000
Domestic Consumption	6,000	5,000	6,100	5,292	0	6,500
Ending Stocks	0	0	0	0	0	0
Total Distribution	9,000	8,091	9,000	8,238	0	9,500

(MT)						

Source: PSD Tables and Post forecast

Export Procedures

Morocco’s 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 technologically advanced and have shown great ability to adapt to constantly changing production and control requirements, in addition to meeting importers’ standards such as ISO, EUROPGAP, BRC-British Retail Consortium and HACCP.

The non-EU markets, commonly known as “Contract Markets,” include Russia, Lithuania, Saudi Arabia, Canada, and the United States. 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 (EACCE: Etablissement Autonome de Controle et de Coordination des Exportations). The EACCE ensures that the standards and requirements of the importing country are effectively met.

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 annual citrus production to 2.9 million MT by 2018, and also to allocate 200,000 MT of fresh citrus production for juice processing.

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’s 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 years preceding. 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.

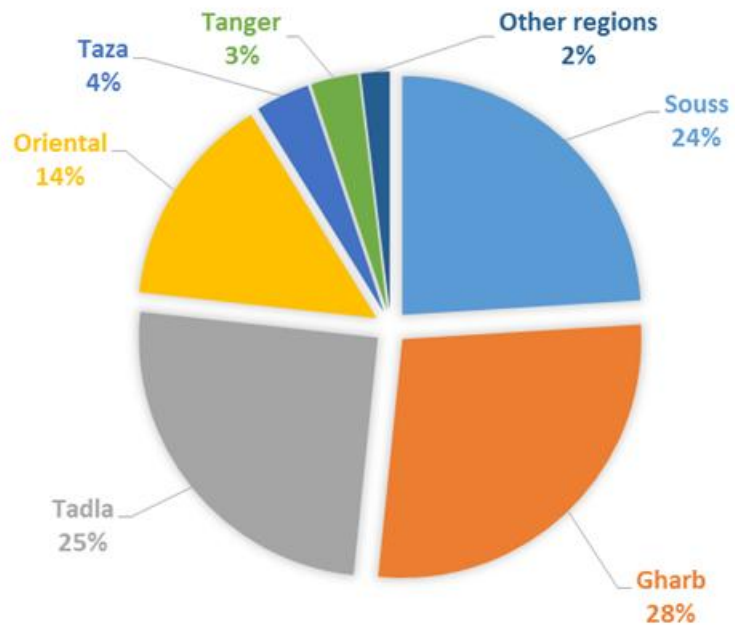
Table 12: Subsidies and Incentives for the Citrus Sector

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 export destinations (subsidy if exported to non EU countries)	20 dollars for each MT exported to Russia or incremental exports to other non-EU destinations (use exports in My 2000/2001 as basis)	Specific to fresh citrus. Could 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.

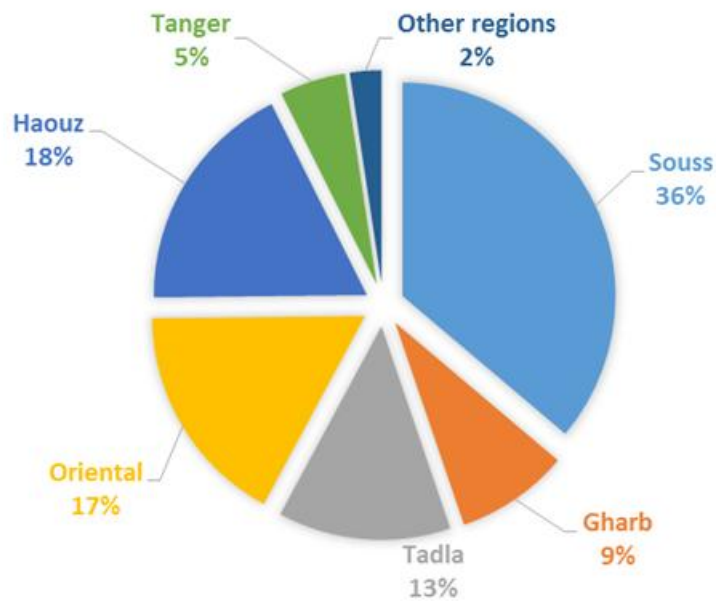
ANNEX

Figure 7: Orange Production by Region



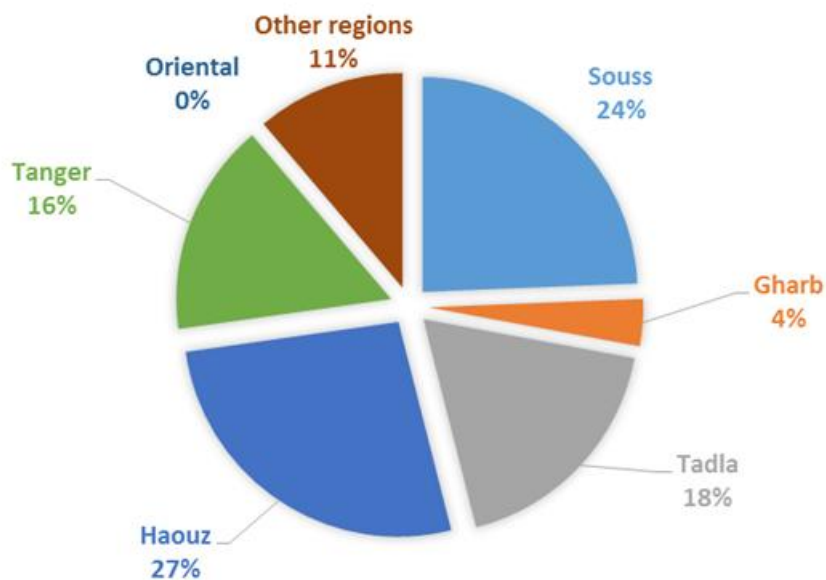
Source: MoA, Maroc Citrus.

Figure 8: Tangerines/Mandarins Production by Region



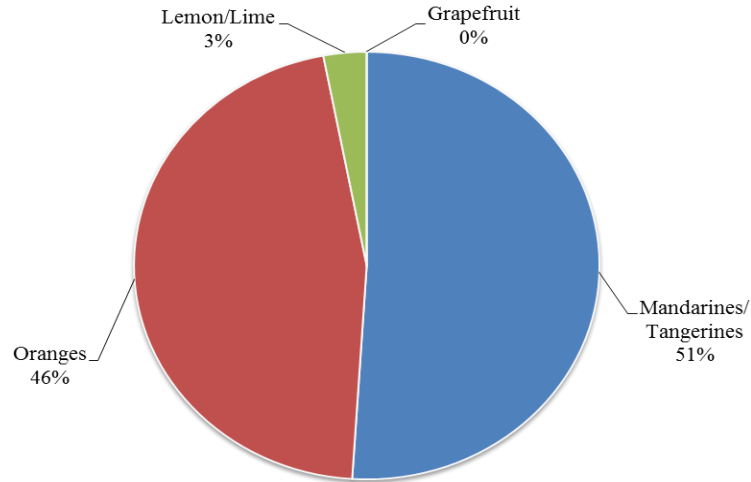
Source: MoA, Maroc Citrus.

Figure 9: Lemon/Lime Production by Region



Source: MoA, Maroc Citrus.

Figure 10: Distribution of Citrus Production



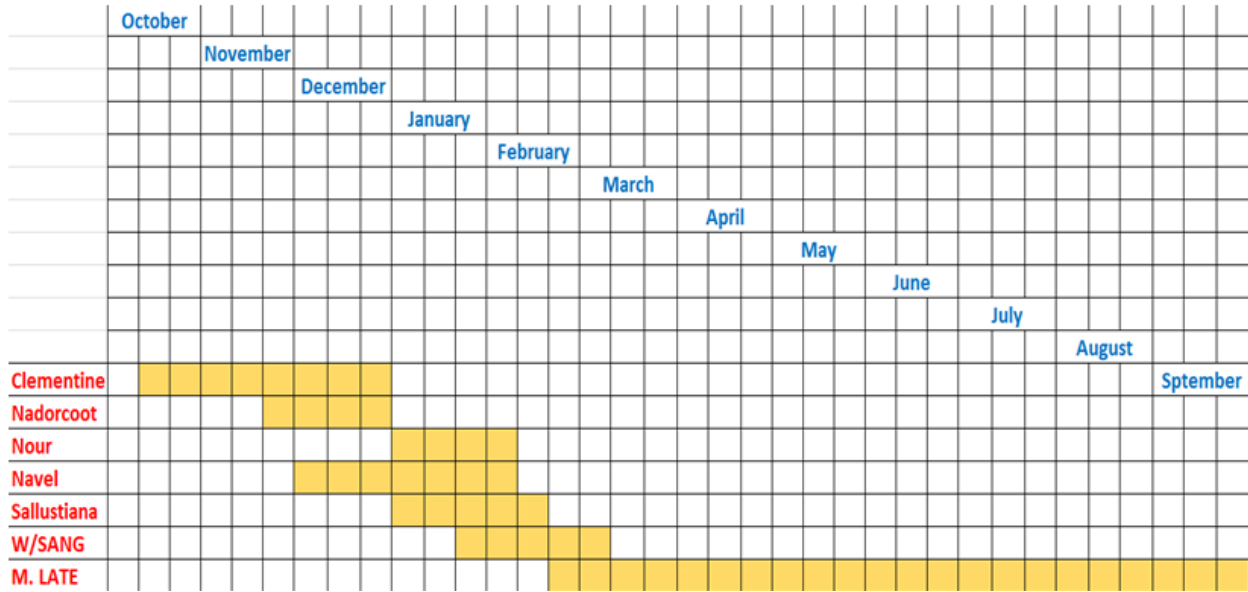
Source: MoA, Maroc Citrus

Table 13: Morocco Harvest Period for Citrus

Citrus	Harvest Period
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 11: Morocco's citrus exports schedule



Source: Maroc Citrus.