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Morocco

Grain and Feed Update

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Report Highlights:
Morocco's wheat and barley crops development in the 2011/2012 season is behind schedule with rain absence during a critical growth period. The rain resumed on April 2012 but did not reach the threshold so for the wheat to recover. The official estimate for the 2010/2011 grain planted area was revised down from 4.95 to 4.86 million HA which is 5 percent lower compared to the previous season. Wheat planted area is currently estimated at 3.017 million HA, of which 2.051 million HA of soft wheat and 0.966 million HA of durum wheat. Wheat import duties suspension would end April 30 and strong rumors about import duties suspension would be extended on soft and durum wheat until May 31, and December 31, 2012 respectively. Morocco's import market is expected to reopen for soft wheat effective mid August or beginning September 2012.

Post:
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Author Defined:
Production:
Morocco's wheat and barley crops development in the 2011/2012 season is behind schedule with late sowing in conjunction with rain delays especially during a critical growth period. In addition to the lack of rainfall until beginning April and late sowing, unusually cold spells that griped the country in January and February have curbed sprouting and hampered the development of the planted crop in many areas. The Ministry of Agriculture's revised down its estimate of total area planted to cereals (soft wheat, durum and barley) in the 2011/12 season from 4.950 to 4.865 million hectare (HA). Total grain planted area in the 2011/2012 season is about 5 percent lower compared to the previous season. Wheat planted area is currently estimated at 3.017 million HA, of which 2.051 million HA of soft wheat and 0.966 million HA of durum wheat. Area planted with barley is estimated at 1.848 million HA, a decline of 3 percent compared to the area planted last year.

Accumulated precipitations since the beginning of September until April 2 were estimated at 181 mm, about 55 percent lower than precipitations during the same period of the previous year and about 42 percent lower than the average precipitations. Some analysts believe rains did not reach the critical threshold to allow the grain crop to recover, which is amplified by the harvest time getting closer. As of April 17, rain precipitation reduce the water deficit and reached 221 mm, about 45 percent lower than precipitations during the same period of the previous year (402 mm) and about 33 percent lower than the average precipitations (330 mm). Though rain precipitation resumed since April and helps rebuild Morocco's water reserve and pastures, the rain remained absent from December until March. This period is essentially for grain crop development especially during the flowering and the grain filling stages. The following is important since 90 percent of Morocco's grain cultivated area is rain-fed.

Drought that Morocco has experienced during the 2011/2012 season occurs early and during the middle of the growing grain crop cycle which coincide with seed germination and seedling emergence. In some areas grain development did not reach the grain filling stage and would have no grain yield. In addition to a reduced grain yield the reduced cereal straw yield would prompt Morocco to import more barley for livestock feeding. It should be noted that some farmers already started an early harvest as a desperate move to save their crop and use it as animal feeds especially in the southern regions around Agadir and Marrakech. The major part of the grain crop was damaged in the first region, hence would depend almost exclusively on the import market. The yield of the early grain crop which represents 14 percent of the planted area could benefit from the latest rain and improve accordingly.

The grain production picture for this season is clearer, since the size of the grain crop in Morocco in general has been correlated with the area seeded as well as the quantities and pace of precipitations during the period September-May. The Moroccan predicts 70 to 90 percent chance that rainfall for this year would range from 200 mm to 280 mm. Agricultural experts estimate that the drought conditions in Morocco this year is the worst since 2007, when total grain production was less than 2.35 million MT, but others compare the weather conditions and crop situation this year to that of 1999/2000 season, when grain production totaled mere 1.85 million MT.

The Moroccan Central Bank in its recent econometric projection model predicted Morocco's grain production to reach 3.3 million tons of which 2 million tons soft wheat, 630,000 tons durum wheat and 650,000 tons barley. It should be noted that there is no official estimate yet on Morocco's grain production for the 2011/2012 season. However, given available information so far on seeded areas, accumulated precipitations and the pace of rainfall across the country, as well as our statistical analysis of grain production since 1999, Post's projection for Morocco's cereal production this year would lean towards a less optimistic scenario. For PS&D tables, we estimate that total wheat (soft and durum) production would be around 2.3 million MT, while barley production would be around 900,000 MT, and accordingly we project that total cereal production would be about 3.2 million MT.

Trade:

Morocco’s wheat imports in MY 2011/2012 until mid-April was estimated at 2.663 million MT, compared to 3.915 million MT import until end of April in the previous season. Wheat import was higher in the previous season due to the suspension of wheat import duties and the import restitution scheme established by the GOM to support imported wheat prices. France continued this season to control the largest share of the Moroccan soft wheat market, with 65 percent, while Canada dominated the durum wheat import market with 51 percent. U.S. wheat exports to Morocco in MY 2011/2012 did not take effect. This is compared to a total of 373,100 MT of U.S. wheat exports in MY 2010/2011, all of which is soft wheat.
Morocco’s wheat imports estimate for MY 2011/12 is maintained at 3.2 million MT and could reach 5 million MT in MY 2012/13. In MY 2010/2011, Morocco wheat import was estimate at 3.976 million MT with France supply exceeding 2 million MT.

Post estimate of Morocco’s barley imports for the MY 2011/12 was maintained at 510,000 MT, which is two times higher compared to the 250,400 MT imported in MY 2010/11. Post estimate for barley import in the 2012/2013 season was revised down from one million tons to 850,000 MT due April rain that improved pasture recovery. The overall increase is due to subsidized purchases by the government at 2000 DH/MT that intend to help livestock farmers affected by the poor local production resulting from the drought and cold weather conditions this year. In addition to barley’s import duties suspension effective March 15 until December31, 2012. So far until mid-April in 2012, Morocco’s barley import was estimated at 429,000 MT and expected to receive by May 8 an additional 50,000 MT. Barley import have been dominated mainly by French supplies, 56 percent, followed by exports from Argentina (15 percent) and the U.S. (6 percent).

Mounting pressure from rising wheat prices in international markets and local wheat supplies becoming very tight, prompted the government to suspend import duties on durum and soft wheat on October 1st and November 15th of 2011, respectively. In December, the government extended the suspension of soft and durum wheat import duties until the end of February 2012. The suspension of the import duties was later extended further until the end of April. There is strong rumors that import duties suspension would be extended on soft and durum wheat until May 31, and December 31, 2012 respectively. Morocco’s import market is expected to reopen for soft wheat effective mid August or beginning September 2012. The following would disable the tariff rate quotas (TRQs) for durum wheat and leave a narrow window to apply the 360,000 MT quotas for soft wheat.

Production, Supply and Demand Data Statistics:

Wheat, Morocco (Areas in 1,000 HA and Quantities in 1,000 MT)

Wheat Morocco	2010/2011			2011/2012			2012/2013		
	Market Year Begin: Jul 2010			Market Year Begin: Jul 2011			Market Year Begin: Jul 2012		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Harvested (1000 HA)	2,852	2,852	2,852	3,040	3,040	3,040		3,170	3,017
Beginning Stocks	1,544	1,544	1,544	1,959	2,046	2,046		2,206	2,206
Production	4,887	4,887	4,887	6,000	5,800	5,800		2,300	2,700
MY Imports	3,903	3,976	3,976	3,200	3,200	3,200		5,600	4,900
TY Imports	3,903	3,976	3,976	3,200	3,200	3,200		5,600	4,900
TY Imp. from U.S.	336	373	373	0	100	0		850	850
Total Supply	10,334	10,407	10,407	11,159	11,046	11,046		10,106	9,806
MY Exports	125	85	85	150	90	90		80	80
TY Exports	125	85	85	150	90	90		80	80
Feed and Residual	100	100	100	550	550	550		100	100
FSI Consumption	8,150	8,176	8,176	8,200	8,200	8,200		8,300	8,300
Total Consumption	8,250	8,276	8,276	8,750	8,750	8,750		8,400	8,400
Ending Stocks	1,959	2,046	2,046	2,259	2,206	2,206		1,626	1,326
Total Distribution	10,334	10,407	10,407	11,159	11,046	11,046		10,106	9,806
Yield (MT/HA)	2.	2.	1.7135	2.	2.	1.9079		1.	0.8949

Barley, Morocco (Areas in 1,000 HA and Quantities in 1,000 MT)

Barley Morocco	2010/2011			2011/2012			2012/2013		
	Market Year Begin: Jul 2010			Market Year Begin: Jul 2011			Market Year Begin: Jul 2012		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Harvested (1000 HA)	1,922	1,922	1,922	1,890	2,025	2,025		1,782	1,848
Beginning Stocks	1,270	1,270	1,270	984	1,090	1,090		840	840
Production	2,570	2,570	2,570	2,340	2,340	2,340		900	900
MY Imports	194	250	250	500	510	510		1,000	850
TY Imports	222	250	250	500	510	510		1,000	850
TY Imp. from U.S.	37	12	12	0	50	25		180	150
Total Supply	4,034	4,090	4,090	3,824	3,940	3,940		2,740	2,590
MY Exports	0	0	0	0	0	0		0	0
TY Exports	0	0	0	0	0	0		0	0
Feed and Residual	2,000	1,950	1,950	2,100	2,100	2,100		1,800	1,800
FSI Consumption	1,050	1,050	1,050	1,000	1,000	1,000		600	600
Total Consumption	3,050	3,000	3,000	3,100	3,100	3,100		2,400	2,400
Ending Stocks	984	1,090	1,090	724	840	840		340	190
Total Distribution	4,034	4,090	4,090	3,824	3,940	3,940		2,740	2,590
Yield (MT/HA)	1.	1.	1.3371	1.	1.	1.1556		1.	0.487