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U.S. Agricultural Exports to Morocco Soar to Record High in 2010 with Help from FTA

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Export Accomplishments

Approved By:

Hassan F. Ahmed, U.S. Embassy, Rabat

Prepared By:

Hassan Ahmed & Idriss El Honsali, U.S. Embassy, Rabat

Report Highlights:

U.S. agricultural and food exports to Morocco soared to a record high of \$766 million in 2010; a 51 percent increase over 2009, and more than four times U.S. exports to Morocco in 2005. Thanks to the U.S.-Morocco Free Trade Agreement (FTA) and successful market development and trade servicing activities carried out by USDA Cooperators in the region, the U.S. share of Morocco's agricultural and food imports grew from 8 percent in 2005 to 19 percent in 2010. Benefits from increased trade under this agreement have not been limited to the U.S. Moroccan agricultural and food exports to the U.S. have also grown since the implementation of the FTA reaching their highest level ever of \$168 million in 2010, compared to \$90 million in 2005.

U.S. agricultural and food exports to Morocco reached a record high of \$766 million in 2010. This represents an increase of 51 percent over exports in 2009, and more than four times the \$165 million total agricultural exports in 2005. In the last five years, the growth in U.S. agricultural and food exports to Morocco has been assisted by a diligent implementation of a free trade agreement (FTA) between Morocco and the United States, as well as effective market development activities carried out by FAS Cooperators in the region. U.S. agricultural exports to Morocco have steadily climbed since 2006, though they were hampered by the global economic downturn in 2009. The U.S. share of Morocco's agricultural and food imports grew from 8 percent in 2005 to 19 percent in 2010.

U.S. Agricultural and Food Exports to Morocco 2005-2010 (\$1,000)

Product	2005	2006	2007	2008	2009	2010
Bulk Products	142,422	235,737	504,930	198,722	213,348	261,674
Wheat	2,892	35,696	256,539	59,886	27,727	101,440
Coarse Grains(Corn/Sorghum)	79,303	129,900	153,855	83,881	123,008	67,578
Soybeans	60,098	69,576	92,766	46,494	42,574	53,103
Cotton	0	0	864	7,796	19,335	38,415
Intermediate Products	20,657	54,575	136,844	239,401	259,946	426,118
Soybean Meal	925	17,942	45,431	54,305	76,285	164,921
Soybean Oil	78	17,601	51,049	122,036	140,281	197,601
DDGS/Corn Gluten	522	2,859	12,595	25,637	15,691	29,920
Tallow	0	4,438	11,360	9,043	7,020	13,024
Consumer Products	1,348	7,169	27,908	86,037	31,490	77,142
Dairy Products	64	4,204	22,623	77,774	21,767	64,891
Tree Nuts	427	2,016	1,820	3,348	5,603	7,824
Grand Total	164,971	297,699	670,704	525,263	505,814	766,079

Source: GATS, FAS and OAA/Rabat

Since the start of the FTA implementation in January 2006, U.S. exporters have taken advantage of the preferential access they gained into the Moroccan market for various agricultural and food products. The increased access was realized through reductions or elimination of import duties for numerous products, as well as tariff rate quotas (TRQs) for durum and soft wheat. In 2010, the administration of the TRQs for U.S. soft wheat exports improved considerably resulting in almost full utilization of the quotas for the first time since the start of the FTA implementation, with 303,000 MT of soft wheat filled under the TRQs.

With the elimination or gradual phase-out of import duties, several U.S. export commodities became more price competitive, including dairy products, soybean meal, soybean oil and tree nuts. In addition, some new-to-market products such as apples, cotton and distiller dried grain (DDGS) made successful entry into the Moroccan market. FAS Cooperators actively present in Morocco, such as the American Soybean Association and the U.S. Grain Council, reinforced the competitive edge their products gained from the FTA preferential access through conducting intensive trade services and technical assistance

activities to various end-users in the Moroccan market. Their efforts were handsomely rewarded, when U.S. exports of soybean products and DDGS skyrocketed and accounted for most of the export increases in 2010.

It should be noted that the benefits from the U.S.-Morocco FTA have not been limited to the U.S. Morocco's agricultural and food exports to the U.S. have grown since the implementation of the agreement in 2006 and reached their highest level ever of \$168 million in 2010, compared to \$90 million in 2005. Morocco's agricultural trade gains from the FTA in the U.S. market included increased exports of olive oil and olive products, fresh citrus, processed fruits and vegetables, and seafood products.