



*AHDB cereal exports **target market report***

Morocco

Harvest 2019

Moroccan wheat production in 2019 has decreased sharply on last year. The absence of rainfall from February through to May has reduced yield potential for the 2019 crop. According to the Moroccan State Cereals Office, ONICL, soft wheat production for the 2019 harvest totalled 2.7Mt, compared with 4.9Mt for the 2018 harvest.

Harvest 2019 – wheat quality (average)

- Test weight – 80.9 kg/hl
- Protein – 12.1%
- Hagberg Falling Number – 354 sec
- W (baking strength) – 175
- P/L value – 2.8

Source: ONICL

Import requirements

Wheat import requirements in the 2019/20 marketing year (July/June) are forecast at 4.8Mt, and barley imports at 1.2Mt. European Union and Black Sea countries supply most of the common 'soft' wheat, while Canada is the traditional supplier of 'durum' wheat.

Due to the excess milling capacity in Morocco, limited quantities of wheat flour, couscous and pasta are exported to neighbouring countries.

Annual milling capacity

- Wheat – 10.5Mt (154 mills)
- Durum – 1.16Mt (34 mills)
- Barley – 0.3Mt (12 mills)
- Total mills – 200

Source: ONICL

Animal feed market

- Total production for poultry feed in 2016 was 3.75Mt*
- Poultry feed is cereal-based (barley, sorghum and maize)
- Technical assistance from AHDB Cereals & Oilseeds indicated that wheat inclusion in the ration would improve pellet quality and therefore feed conversion and growth rates in turkeys
- Poultry products, mainly turkey, are widely consumed as a cheap source of animal protein. Increased growth in the poultry sector indicates a corresponding growth in demand for feed grains

Top five animal feed producers – Alf Sahel / El Alf / SNV / Cicacim / Inaam

*Source: FISA (Moroccan Poultry Federation)

Prior to 2013 feed wheat was not permitted to be imported into Morocco.

With support from AHDB Cereals & Oilseeds, an agreement was reached with the authorities whereby feed wheat could enter Morocco in a denatured state – i.e. coloured with a green food dye. In 2013, it was estimated (by the Moroccan feed compounders association – AFAC) that demand for feed wheat could reach 60,000 tonnes per annum, but uptake has been slow as compounders are unfamiliar with wheat in their rations. AHDB Cereals & Oilseeds has been supporting feed compounders by providing technical information to help increase demand.

Government policy

Wheat imports are categorised by the Moroccan authorities as soft wheat (for bread making), feed wheat and 'other' (including biscuit wheat).

ONICL is the state-owned cereals office that ensures a **national security stock of around one million tonnes** of soft wheat to produce subsidised flour for the low-income consumers. However, the government has been trying to reduce the quantity of the subsidised flour going to the poorest areas. High import tariffs are used to **protect domestic production** until local supplies are used up. Stocks are then completed by reducing the import tariff and launching international tender calls through Moroccan importers.

ONICL bread wheat quality specifications (via international tender)

Spec weight – 77 kg/hl / Hagberg – min 220 secs / W – 160 min / Protein – 11.5%

Private sector bread wheat quality specifications

Spec weight – min 78 kg/hl / Hagberg – min 250 secs / W – min 180 / Protein – min 11% / P/L 0.8–1.2

Private sector biscuit wheat quality specifications

Spec weight – min 76 kg/hl / Hagberg – min 230 secs / W – max 140 / Protein – max 11% / P/L 0.4 max

Biscuit wheat

Morocco's soil type is unsuitable for biscuit wheat production, therefore demand for imports will always exist irrespective of domestic wheat production.

Following technical support provided by **AHDB Cereals & Oilseeds**, ONICL and the Ministry of Foreign Trade have **allowed reduced tariff imports** of biscuit-grade wheat, based on the **uks** specification. Each year, the millers apply to the Ministry of Foreign Trade to **request permission to import** their required volume. The Ministry of Foreign Trade grants the quota, which is then overseen by ONICL.

Consumer trends

Bread

- 14,000 bakery-pastry outlets*
- Increased use of bran as a healthy alternative in response to the increase in diabetes

*Source: lavieeco.com

Biscuits

- Steady increase in the biscuit sector, particularly in European-style biscuits as preferences become more westernised
- Target the younger generation – snacks for children and mixed with milk for babies

Barley

- Small barley market for human consumption, more common in rural communities
- Domestic barley production provides **90% of demand**
- **No government control** of barley – traded by private groups
- **Main uses – Barley soup (Dchicha)**

Competitors in the market

Wheat

Unit (Tonnes)	2017		2018
Ukraine	603,578	Ukraine	1,389,762
France	470,330	France	699,501
USA	399,948	Russia	487,708
Russia	354,154	USA	326,520
Romania	281,425	Canada	48,084
Germany	234,076	Bulgaria	32,341
Argentina	193,621	Sweden	32,026
Bulgaria	121,371	Argentina	21,404
Hungary	67,959		
Estonia	26,900		
UK	6,301		

Source: Office des Changes

Barley

Unit (Tonnes)	2017		2018
France	220,829	France	217,016
Ukraine	84,379	Spain	15,044
Argentina	65,257	Ukraine	8,249
Finland	24,807		
Russia	19,658		

Source: Office des Changes

Supply and demand

As at Dec 2019 1000 Mt	2018/19 Total Wheat	2018/19 Barley	2019/20 Total Wheat (Forecast)	2019/20 Barley (Forecast)
Beginning stocks	5,133	184	5,404	398
Production	7,340	2,910	4,400	1,000
Imports	3,706	204	4,800	1,200
Total supply	16,179	3,298	14,604	2,598
Exports	75	0	50	0
Feed domestic consumption	800	1,900	800	1,600
FSI consumption	9,900	1,000	10,000	800
Domestic consumption	10,700	2,900	10,800	2,400
Ending stocks	5,404	398	3,754	198

Source: USDA

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