



Animal feed market



Total production
for poultry feed in
2014 is **3Mt***

*Source: FISA (Moroccan Poultry Federation)

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**

Top five animal feed producers:

- Alf Sahel
- El Alf
- SNV
- Cicaclim
- Inaam



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

Wheat and barley supply and demand (tonnes)

	Wheat 2015/16	Wheat 2016/17 Forecast	Barley 2015/16	Barley 2016/17 Forecast
Opening Stocks	4,269,000	6,780,000	371,000	1,238,000
Production	8,000,000	2,731,000	3,500,000	1,076,000
Imports	4,429,000	5,000,000	817,000	800,000
Total Supply	16,698,000	14,511,000	4,688,000	3,114,000
Total Demand	9,800,000	10,200,000	3,450,000	2,800,000
Animal feed & residual	800,000	800,000	2,250,000	1,850,000
Exports	118,000	250,000	-	-
Closing stocks	6,780,000	4,061,000	1,238,000	314,000

Source: USDA



AHDB Exports Target Market **MOROCCO**

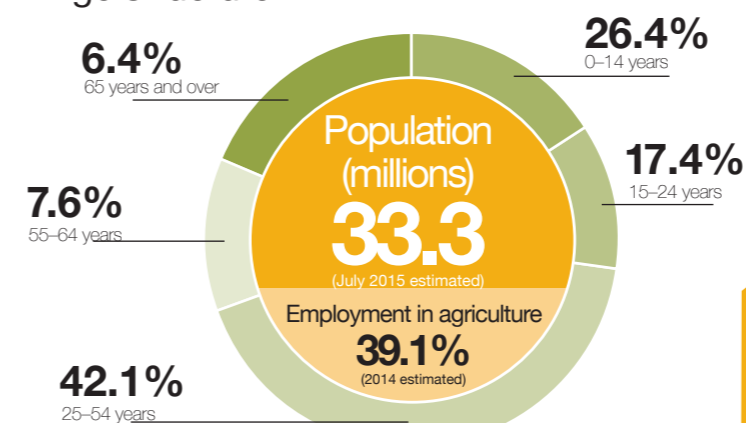
Moroccan wheat and barley production has been reduced severely as a result of adverse climatic conditions. For the 2016/17 season, wheat imports are forecast to reach approximately **5 million tonnes** and barley imports approximately **800,000 tonnes**.

Rabat

17.8%
arable area

Demographic

Age structure



(2015 estimated)
Source: CIA World Fact Book

Population
Growth
1%
(2015 estimated)

Economics

GDP (growth)

4.5% (2015 estimated)

13%
GDP (in agri)
(2014 estimated)

GDP (per capita)

\$8,200
(2015 estimated)

Market structure

The top six cereal importing
groups have a **combined
market share** of
approximately **70%**

- Gromic
- Fandy
- Izda
- Graderco
- Cargill
- City Grains

Annual milling capacity 2015

10.5Mt Wheat – 154 mills
1.16Mt Durum wheat – 34 mills
0.3Mt Barley – 12 mills
Total mills – 200

**20% of mills process
more than 100,000
tonnes per annum.**
The milling industry runs
at around **54% capacity
for soft wheat** and
34% for barley.

Source: ONICL



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 from one million tonnes to 750,000 tonnes in 2016 with flour going to the poorest areas. High import tariffs are used to **protect domestic production** until local suppliers are used up. Stocks are then completed

by reducing the import tariff and launching international tender calls through Moroccan importers. In June 2016, the Government announced that the common wheat import tariff would be increased to 65 percent (from the previous level of 30 percent, valid from December 2015) to stabilize the domestic price.

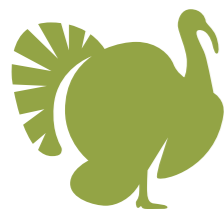
Subsidised flour

'**National Flour**' is subsidised flour controlled by the state. The miller receives **100DH per 50kg bag**. It is distributed to villages at one bag per household per month.



ONICL wheat tender specifications

Moisture	14% (max)
Protein	11.5%
Hagberg falling number	220 secs (min)
Specific weight	77kg/hl
W	160 (min)



Feed wheat

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** – ie 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**.



Biscuit wheat

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

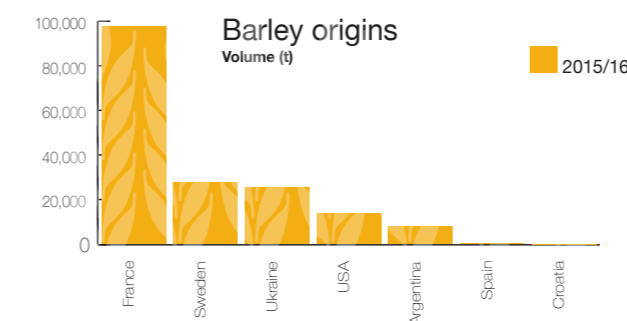
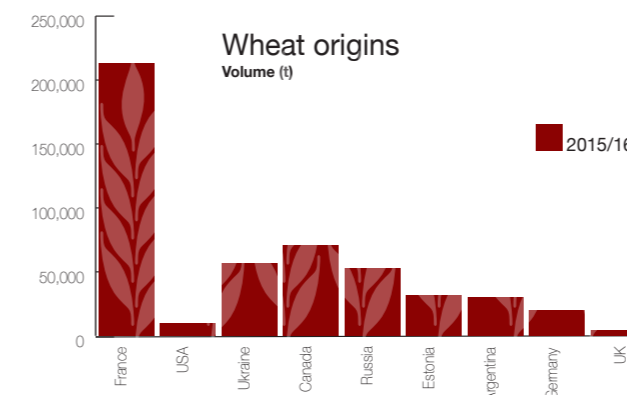
Following technical support provided by **AHDB Cereals & Oilseeds**, ONICL and the Ministry of Foreign Trade have **allowed reduced tariff imports** of biscuit grade wheat, based on the **uks** specification. Each year the millers apply to the Ministry of Foreign Trade to **request permission to import**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

Production and import requirements

Year	Wheat		Barley		Corn		
(t)	Production		Imports	Production	Imports	Production	Imports
2016/17*	Soft wheat	Durum wheat	5,000,000	1,076,000	800,000	200,000	2,300,000
	1,860,000	870,000					
	2,731,000						
2015/16	Soft wheat	Durum wheat	2,800,000	3,500,000	200,000	200,000	2,100,000
	5,600,000	2,400,000					
	8,000,000						
2014/15	Soft wheat	Durum wheat	5,000,000	900,000	850,000	200,000	2,300,000
	3,700,000	1,400,000					
	2,800,000						

Official data from Ministry of Agriculture via USDA Grain Report, March 2016 *Production Forecast by FAS Rabat Office

Competitors in the market



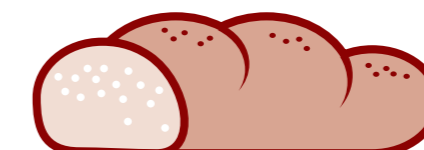
Office des Changes via USDA Grain Report, March 2016

Consumer trends

Bread market



14,000



bakery-pastry outlets
(known as boulangeries-pâtisseries)

Source: lavieeco.com



Harvest 2016

For the 2016/17 season, Moroccan **grain production decreased** as a result of a serious drought during crop establishment. The hot and dry weather reduced wheat production by as much as 50% for the season. Therefore import requirements are lower than previous years.

On 29 January 2016, the Moroccan government committed more than 5 billion Moroccan dirhams (USD\$520 million) to establish an anti-drought plan, aimed at supporting the agricultural sector against the effects of late rains.

Due to the drastic decrease in domestic wheat production in 2016, ONICL did not carry out a survey on wheat quality.



Wheat consumption per capita among the highest in the world at 173kg annually.

Source: USDA Grain and Feed Annual Report, March 2016



Increased use of bran as a healthy alternative in response to the increase in diabetes

Biscuit market

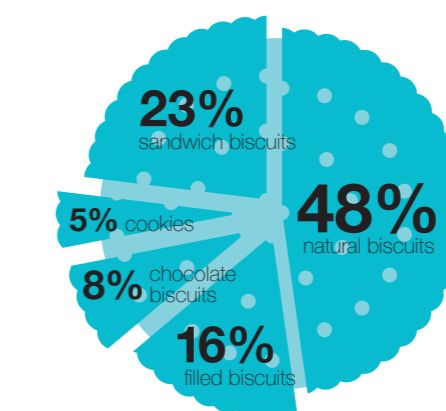


Targeting the younger generation

- Snacks for children
- Mixed with milk for babies

Source: Euromonitor

Division of sales for sugared/sweet biscuits



Barley market

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)
- Semolina for making couscous (Belboula)
- Flour for baking bread

