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Morocco

Citrus

Annual

2004

Approved by:

Michael J. Fay
U.S. Embassy, Rabat, Morocco

Prepared by:

Aziz Abdelali

Report Highlights:

Morocco's citrus production is expected to increase moderately this year due to alternate bearing. The largest citrus producing area in Morocco in the south (Souss) is threatened by locust invasion and the government is devoting considerable resources to locusts control. FRUMAT, the sole citrus concentrate producer in Morocco is about to close down and processing is forecast to be negligible.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

First estimates of Morocco's citrus production for 2004/2005 indicate a moderate increase in production and exports especially for mid-season and late orange varieties. The increase is attributed to the alternate bearing nature of the citrus trees.

The productions figures have to be handled with caution. The estimates are issued by the Moroccan citrus producers' Association (ASPAM) and are believed to be mostly subjective. In addition, estimates of production of late varieties (oranges) could change significantly depending on prevailing weather conditions during winter and early spring.

Recently (October 2004), swarms of locust have been reported in parts of the southern citrus producing area (Souss-Massa vicinity of Taroudent and Tiznit), which accounts for over half of Morocco's citrus production. So far, minor damages have been reported but the threat is real and the government organized press conferences to inform the population about the threat. The situation is still evolving and the government is allocating over \$40 million control the locust invasion in Morocco.

**Morocco's fresh citrus production and exports
(Thousands of metric tons)**

Varieties	Production ^(a)		Exports ^(b)	
	2003/2004 Rev.	2004/2005 Forec.	2003/2004 Rev.	2004/2005 Forec.
Oranges	704.5	813.0	237.2	290.7
Maroc Late	397.0	463.0	176.4	200.0
Navels	220.0	249.0	13.3	23.0
Bloody oranges	45.0	49.0	22.7	34.0
Salutiana	37.5	46.5	24.0	30.7
Others	5.0	5.5	0.8	3.0
Small Citrus Fruit	408.0	442.9	199.7	230.3
Clementine	300.0	326.0	142.4	152.5
Nour	54.0	67.0	36.8	53.6
Ortanique	19.5	17.2	8.8	9.0
Afourer	16.0	14.2	7.4	8.1
Nova	12.0	12.5	1.9	6.3
Fortune	1.0	1.0	0.4	0.5
Others	5.5	5.0	2.0	0.3
Other Citrus	25.2	30.0	0	0.4
Total Citrus	1,137.7	1,285.9	436.8	521.4

- Notes: Production estimates are from the Producers Association, ASPAM. Estimates have been more accurate for the early production varieties as the weather during the coming months might affect considerably estimates for late varieties (especially Maroc-Late).

- Trade Figures: Data are from the EACCE office. They may differ from the official figures (used in PS&D tables) but are more timely and thus used as first estimates.

In the long term, citrus production is not expected to increase significantly in spite of the government and farmers organization ambitious plans to expand planted area, revert to new varieties, and replace old orchards. Souss producers face serious water shortages that increase their cost of production considerably. In the Gharb area (vicinity of Kenitra) the orchards trees are old and most growers are not actively replanting orchards. So, although, there might be an increase in planting in some years, the average yearly planting over a long period has been below what was initially planned to maintain adequate growth of citrus production. Eventually, the low planting suggests that Morocco might be unable to even fulfill the increasing local demand for some varieties of citrus in the future.

Trade

Exports of citrus are expected to increase to reflect the anticipated moderate increase in Morocco's production this year. Russia has been the major outlet for Morocco's Clementines and oranges. The traditional EU countries (taken as a group) will continue to be the main outlet for Morocco in spite of the downward trend over the past few years. The proximity of this market, the high prices paid by European consumers, and more importantly, the preferential access given to Moroccan citrus fruit under the Morocco-EU free trade agreement (see MO0028) are appealing to Moroccan exporting groups. The non- EU markets, commonly known in Morocco as "Contract Markets", include Russia, Saudi Arabia, and Canada account each year for over a third of Morocco's fresh citrus exports. For these markets, each year, arrangements are made between importers and Moroccan exporters to ship agreed-upon quantities and quality of fruit.

Long-term prospects for fresh citrus exports are grim: Local production can hardly keep up with the increasing demand from both export and local markets. Morocco did not fill the duty-free quota granted by the EU for Clementines (168,000 MT) and Oranges (326,000 MT). Prices in the local market have reached a level so that many farmers see a benefit in selling to the local market and avoid risks and delays in payment when exporting. Also, the decline in the EU share in Morocco's agricultural exports indicate that some exporting groups have more difficulties to comply with increasingly complex EU industry standards and requirements. This explains partly why more emphasis has been given in recent years to exporting to non-EU countries. The Eastern-European markets in particular (Russia) have been generally buying lower quality, cheaper fruit that are less suitable for the EU market.

Shipments to U.S.A.

Moroccan exporters typically don't view U.S.A. market as a priority. Shipment of Moroccan citrus (mostly Clementines) to the U.S.A. will continue to fluctuate reflecting the change in local production and should not show any significant long-term trend unless there is a major change in production policy. MO3021 provides details on constraints faced by Moroccans when looking at the U.S.A. market.

Exports of Fresh Citrus to USA (1,000 MT)

Marketing Year	Exports to USA	Total Exports	U.S.A. as % of Total
99/00	2.5	596.7	0.4
00/01	0.7	391.8	0.2
01/02	3.7	430.0	0.9
02/03	13.5	483.8	2.8
03/04	2.7	436.6	0.6

Note: * Mostly Small Citrus Fruit (Clementines).

Policy - No change**Processed Citrus**

FRUMAT, the sole citrus concentrate producer in Morocco and, by far, the major producer has never been in such a weak position. Last year, FRUMAT processed only 2,000 MT (less than 1 percent of its nominal capacity) because of high prices for fruit in the local market. FRUMAT has been struggling to increase farmer's deliveries to its processing plants but the high demand in the local market combined with relatively lower supply resulted in prices in the fresh market that are far more appealing to farmers. The state owned farms that FRUMAT was hoping to contract to ensure reliable supply are being leased to the private sector (including foreign investors) which reduces further the companies ability to position itself in the market. Eventually, Morocco is likely to become a net import of single strength juice and concentrate for its local industry.

Unless there is a major government financial intervention for FRUMAT, the company is likely to close. Also, if in the next few years, Morocco experiences large citrus crops, FRUMAT could be revitalized to help absorb the excess in production.

PSD Table

Country	Morocco						UOM
	Oranges, Fresh						
Commodity	2002	Revised	2003	Estimate	2004	Forecast	(HECTARES)(1000 TREES)(100)
	USDA Official	Estimate	DA Official	Estimate	DA Official	Estimate	[New]
Market Year Begin	10/2002		10/2003		10/2004		MM/YYYY
Area Planted	49	50	49	50	0	51	(HECTARE)
Area Harvested	48	49	48	49	0	49	(HECTARE)
Bearing Trees	15900	15200	15900	15200	0	15402	(1000 TRE)
Non-Bearing Trees	200	300	200	300	0	300	(1000 TRE)
TOTAL No. Of Trees	16100	15500	16100	15500	0	15702	(1000 TRE)
Production	800	800	730	705	0	813	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	800	800	730	705	0	813	(1000 MT)
Exports	226	226	220	237	0	290	(1000 MT)
Fresh Dom. Consumption	530	530	508	466	0	521	(1000 MT)
Processing	44	44	2	2	0	2	(1000 MT)
TOTAL DISTRIBUTION	800	800	730	705	0	813	(1000 MT)

Export Trade Matrix

Country Morocco
Commodity Oranges, Fresh

Time Period	Oct.03/Sep	Units:	MT
Exports for:	2003		2004
U.S.		U.S.	
Others		Others	
Russia	85015		
Holland	49157		
U.K.	32131		
France	23771		
Belgique	19210		
Sweden	5738		
Finland	5016		
Italy			
Total for Others	220038		0
Others not Listed	17169		
Grand Total	237207		0

PSD Table

Country	Morocco						UOM
	Commodity Tangerines, Fresh						
Market Year Begin	2002	Revised	2003	Estimate	2004	Forecast	(HECTARES)(1000 TREES)(100
	USDA Official Estimate [DA Official Estimate [DA Official Estimate [New]	10/2002	10/2003	10/2004	MM/YYYY		
Area Planted	21	23	21	24	0	25	(HECTARE
Area Harvested	20	23	20	23	0	23	(HECTARE
Bearing Trees	6700	6900	6700	6900	0	6900	(1000 TRE
Non-Bearing Trees	150	300	150	300	0	600	(1000 TRE
TOTAL No. Of Trees	6850	7200	6850	7200	0	7500	(1000 TRE
Production	478	478	410	408	0	443	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	478	478	410	408	0	443	(1000 MT)
Exports	184	184	170	200	0	230	(1000 MT)
Fresh Dom. Consumption	290	290	240	208	0	213	(1000 MT)
Processing	4	4	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	478	478	410	408	0	443	(1000 MT)

Export Trade Matrix

Country	Morocco	
Commodity	Tangerines, Fresh	
Time Period	Oct.03/Sep	Units: MT
Exports for:	2003	2004
U.S.	2653	
Others	Others	
Russia	60605	
Holland	31457	
France	29495	
Canada	23828	
UK	17271	
Belgium	8614	
Sweden	7192	
Saudi Arabia	3067	
Finland	2983	
Germany	2794	
Total for Others	187306	0
Others not Listed	9766	
Grand Total	199725	0

PSD Table

Country	Morocco						UOM
	Lemons, Fresh						
Commodity	2002	Revised	2003	Estimate	2004	Forecast	(HECTARES)(1000 TREES)(100)
	USDA Official	Estimate [D]	DA Official	Estimate [D]	DA Official	Estimate [New]	
Market Year Begin	10/2002		10/2003		10/2004	MM/YYYY	
Area Planted	1	1	1	1	0	1	(HECTARE)
Area Harvested	1	1	1	1	0	1	(HECTARE)
Bearing Trees	280	280	280	280	0	280	(1000 TRE)
Non-Bearing Trees	10	10	10	10	0	10	(1000 TRE)
TOTAL No. Of Trees	290	290	290	290	0	290	(1000 TRE)
Production	20	20	20	15	0	20	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	20	20	20	15	0	20	(1000 MT)
Exports	0	0	0	0	0	0	(1000 MT)
Fresh Dom. Consumption	20	20	20	15	0	20	(1000 MT)
Processing	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	20	20	20	15	0	20	(1000 MT)

PSD Table

Country	Morocco						UOM
	Citrus, Other, Fresh						
Commodity	2002	Revised	2003	Estimate	2004	Forecast	(HECTARES)(1000 TREES)(100)
	USDA Official	Estimate [D]	DA Official	Estimate [D]	DA Official	Estimate [New]	
Market Year Begin	10/2002		10/2003		10/2004	MM/YYYY	
Area Planted	5	5	5	5	0	5	(HECTARE)
Area Harvested	5	5	5	5	0	5	(HECTARE)
Bearing Trees	1200	1500	1200	1500	0	1500	(1000 TRE)
Non-Bearing Trees	15	15	15	15	0	15	(1000 TRE)
TOTAL No. Of Trees	1215	1515	1215	1515	0	1515	(1000 TRE)
Production	10	10	10	10	0	10	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	10	10	10	10	0	10	(1000 MT)
Exports	0	0	0	0	0	0	(1000 MT)
Fresh Dom. Consumption	10	10	10	10	0	10	(1000 MT)
Processing	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	10	10	10	10	0	10	(1000 MT)

PSD Table

Country	Morocco		65 Degrees Brix			
Commodity	Orange Juice		(MT)			
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official	[Estimate]	[DA Official	[Estimate]	[DA Official	[Estimate]
Market Year Begin	10/2002		10/2003		10/2004	
Deliv. To Processors	44000	44000	2000	2000	0	2000
Beginning Stocks	1055	1055	2452	2364	852	714
Production	4400	4400	200	200	0	200
Imports	727	689	650	650	0	1000
TOTAL SUPPLY	6182	6144	3302	3214	852	1914
Exports	2080	2080	800	800	0	200
Domestic Consumption	1650	1700	1650	1700	0	1700
Ending Stocks	2452	2364	852	714	0	14
TOTAL DISTRIBUTION	6182	6144	3302	3214	0	1914

Export Trade Matrix

Country Morocco

Commodity Orange Juice

Time Period **Oct./Sept.** Units: **MT**

Exports for: **2002** **2003**

U.S. U.S.

Others Others

France	1145		
Great Britain	428		
Germany	344		
Tunisia	112		
Lybia	23		
Netherlands	12		

Total for Others 2064 0

Others not Listed **16**

Grand Total 2080 0

Import Trade Matrix

Country Morocco

Commodity Oranges, Fresh

Time Period Units:
 Imports for:
 U.S. U.S.

Others		Others	
Brazil	497		
Netherlands	79		
Cuba	63		
Spain	20		
France	9		
Lebanon	8		

Total for Others 676 0
 Others not Listed
 Grand Total 689 0