

STUDIES

DEFE



Directorate of Financial Studies and Forecasts

*Performances and competitiveness of the Moroccan
agri-food sector exports*

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INTRODUCTION

With their contribution to the country's food security, growth, employment and external exchanges, agriculture and agri-food industry constitute key sectors for the Moroccan economy. In 2013, agriculture and food industry represented respectively 15.5% and 5.3% of the nominal GDP. Similarly and even below their potential, these sectors also contribute to the improvement of our external exchanges with a contribution to global exports of the country's goods by more than 15% in 2013 led largely by the main export sectors.

These sectors, which benefit from a particular attention of the public authorities embodied mainly in the Moroccan Green Plan (promotion of high added value agricultural sectors, aggregation allowing small business to access exports' market...), have various hidden opportunities for export development related mainly to sustained growth of the world demand, geographical proximity of the European and African markets, conclusion of a plenty of free-exchange agreements and trade agreements with partner countries...

The performances of the agri-food exports during the last years prove the strong potential for development which needs to be boosted by an ideal exploitation of the undeniable comparative advantages granted to this sector. The problem of the upstream of the agri-food sector, which used to present one of the major constraints of the sector, is now being lifted with the implementation of the Moroccan Green Plan that gradually starts its cruise phase. In this context, the performance of the agri-food sector in exports faces, with regard to the structural change of the agricultural upstream, some challenges related mainly to the necessity (i) of a larger diversification of the product/market couple in exports, (ii) a better boosting of the expanding agricultural production which promises good perspectives with, mainly, the implementation of Agropoles , (iii) and a stronger responsiveness face the merciless rivalry of the Mediterranean countries in particular.

Falling within the continuity of studies¹ carried out by DEPF on the agri-food sector, the present paper analyzes in depth the performances and competitiveness of the exports of the main agricultural and agri-industrial branches, namely tomatoes, citrus, olive oil and olive preserves. In this context, we will analyze in depth the economic and social weight of these branches, the challenges of their value chain, their performances and competitiveness in export (structure and dynamics of the exports market and the positioning of Morocco with regard to its main rivals), as well as the perspectives of their development, mainly, in the framework of the Moroccan Green Plan. Finally, and in the light of this deep analysis, some measures and paths of thinking will be issued to allow the consolidation of competitiveness and positioning of the branches in question at the international level.

¹ Study : "Boosting of the comparative advantages in exports of the Moroccan agri-food sector.

Study: Performances and Perspectives of the sector of the Agri-food Industry in Morocco", November 2010.

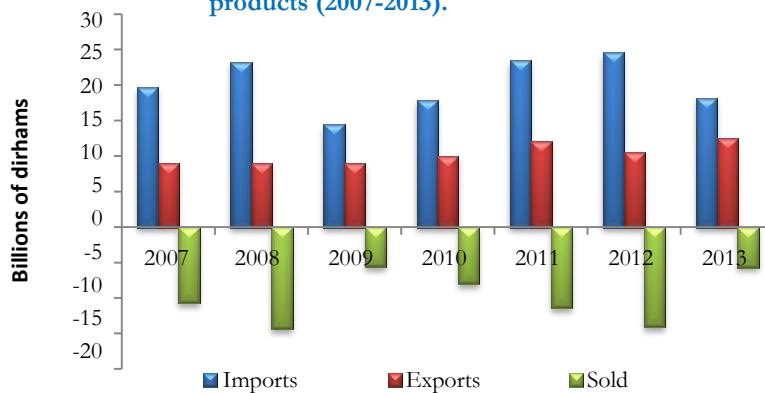
I. Performance and competitiveness of the fresh agri-food products

At the level of this section, the performance and competitiveness of the fresh agri-food products sector in exports will be analyzed through the examination of the development of the trade exchanges by highlighting the structural development of exports per product and market.

I.1. Development of trade exchanges

During the period 2009-2012, the trade balance of fresh agri-food products registered an increase of deficit from MAD 10.6 billion in 2007 to MAD 14 billion in 2012. This deficit was caused mainly by the imports of cereals which represented 70% of the general imports of the fresh agri-food products during the same period and which have more than doubled between 2009 and 2012. This situation is mainly attributed to the rise of prices at the international level and to the difficult climate conditions that limited our production in cereals. However, this trade deficit of fresh products diminished in 2013 by nearly MAD 8.4 billion compared to 2012, to stop at MAD 5.6 billion. This situation is mainly explained by the unprecedented production in cereals which attained 97 million quintals during the season 2012/2013 allowing to reduce wheat imports (-33% in volume compared to 2012). Excluding cereals, the trade balance of fresh agri-food products registered an average surplus of MAD 4.5 billion during the period 2007-2013 by moving from MAD 3.7 billion in 2007 to MAD 7.1 billion in 2013.

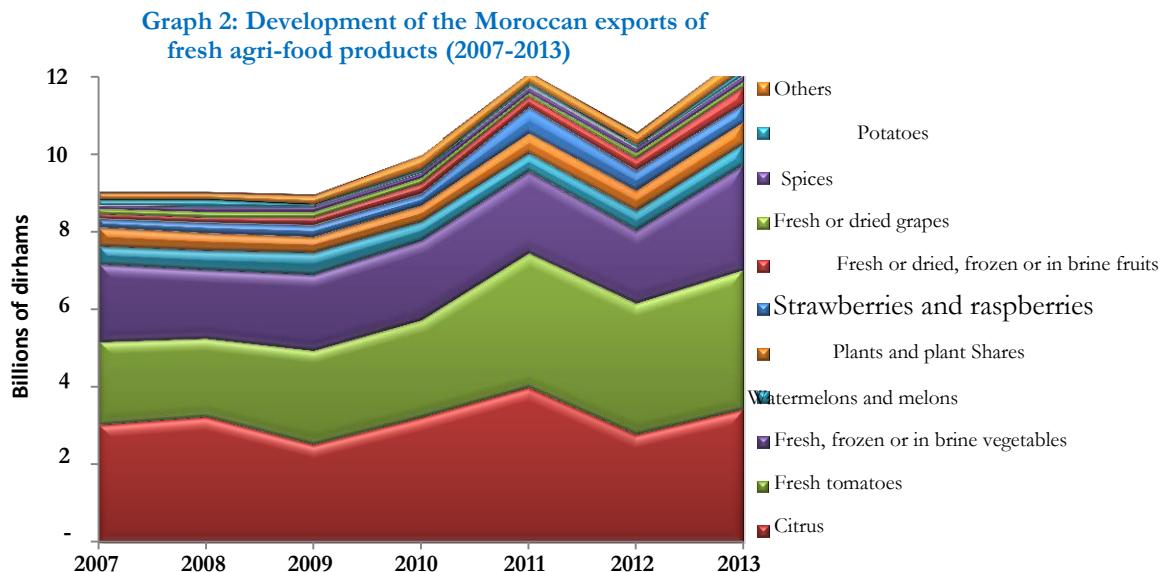
Graph 1: Trade balance of fresh agri-food products (2007-2013).



Source : Exchange Office Data, DEPF calculations

Fresh agri-food products exports achieved an additional profit of nearly MAD 2.3 billion between the two periods 2007-2009 and 2010-2013, i.e. an increase of nearly 25.3%. Per product, tomatoes contributed to this profit by nearly 50%, i.e. a MAD 1 billion surplus between the two periods.

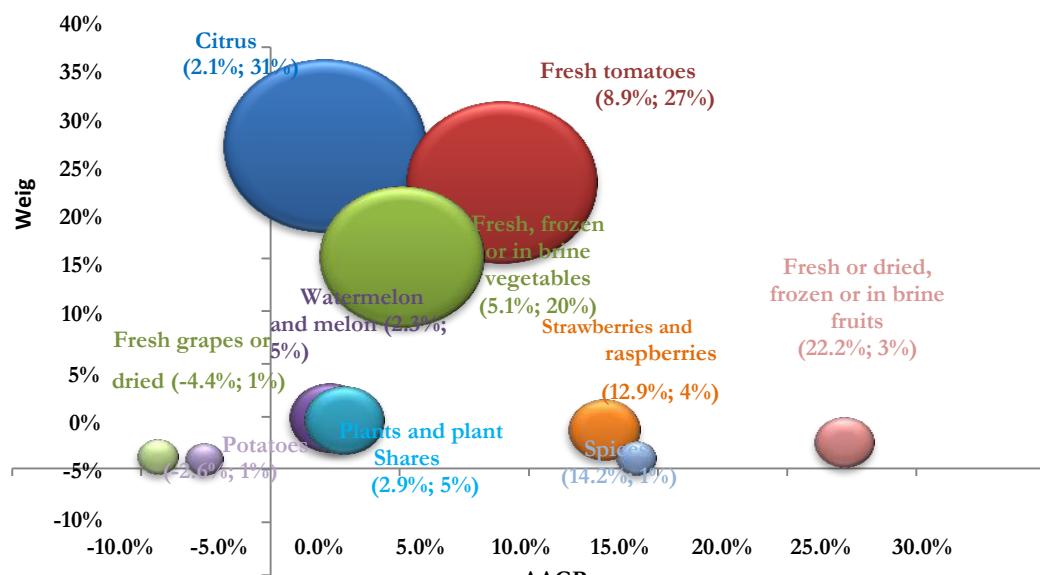
The analysis of the structure of the fresh agri-food products exports shows that three items focus, in average, 78% of exports during the period 2007-2013. These are citrus (31%), fresh tomatoes (27%) and frozen or in brine fresh vegetables (20%).



Source: Exchange Office Data, DEPF calculations

The crossroad of the exports' growth pace (annual average growth rate) and the weight of these branches (Shares of the exports of different items in the sector's general exports) shows that citrus, tomatoes and fresh, frozen or in brine vegetables have significant weights in the general exports, namely 31%, 27% and 20% respectively in average during the period 2007-2013 with differentiated growth paces. Tomatoes' sales keep a sustained growth pace of 8.9%, and those of fresh, frozen or in brine vegetables and of citrus show 5.1% and 2.1%.

Graph 3: Crossroad of the growth pace of Moroccan exports and weight of fresh agri-food products (2007-2013)



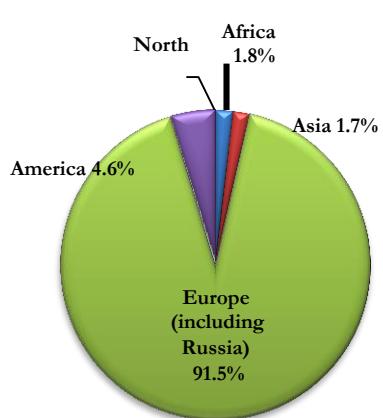
Items (Annual average growth rate (AAGR); Weight in the sector's general exports)

Source : Exchange Office Data, DEPF calculations

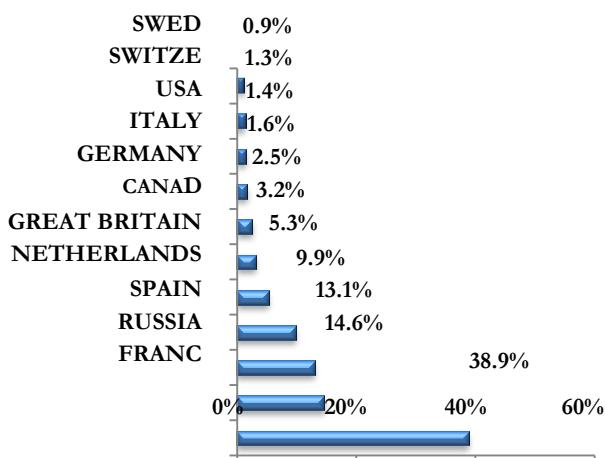
I.2. Development of the exports of fresh agri-food products per market

During the period 2007-2013, the Moroccan exports of fresh agri-food products were highly concentrated on the European continent (including Russia) which absorbed in average 91.5% of the value of these exports. Per country, France was at the top with nearly 38.9% of exports, followed by Russia (14.6%, Spain (13.1%) and Netherlands (9.9%). This situation shows huge opportunities that the Moroccan exports of fresh agri-food products are unable to cease in high potential markets, particularly at the level of Arab countries of the Middle East and in the African market as well. In this regard, a direct line Tangier-Jeddah was implemented for the export season of 2013-2014 for the purpose of improving the access to Gulf countries markets for our agricultural products exporters.

Graph 4: Structure of the Moroccan exports of fresh agri-food products per continent (2007-2013)



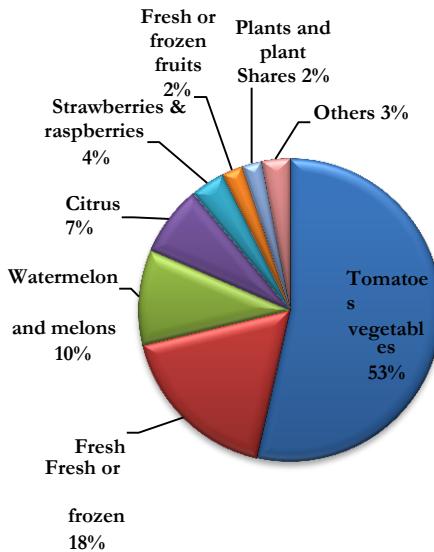
Graph 5: Main importers of the Moroccan fresh agri-food products (2007-2013)



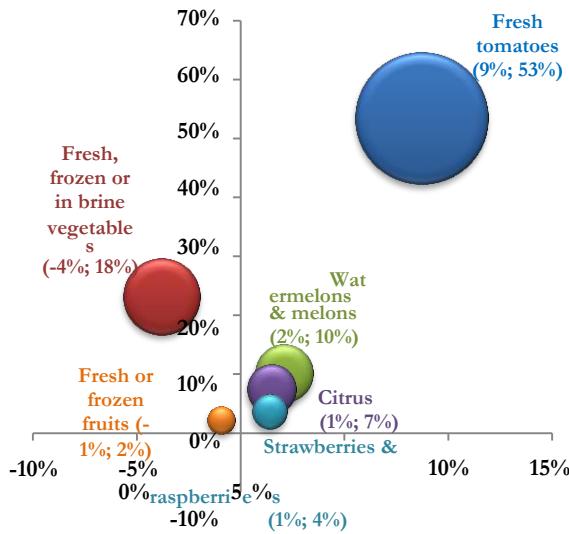
Source: Exchange Office Data, DEPF calculations

At the level of the French market, the Moroccan exports of fresh agri-food products were dominated, during the period 2007-2013, fresh tomatoes (53%), followed by other fresh, frozen or in brine vegetables (18%), and watermelons and melons (10%). Concerning citrus, they took the fourth position with a part of 7%. However, the growth of fresh or dried, frozen or in brine fruits decreased by 1% during the period 2007-2013. Similarly, the growth pace of the export of other fresh vegetables decreased by 4%.

Graph 6: Structure of the Moroccan exports of fresh agri-food products to France (2007-2013)



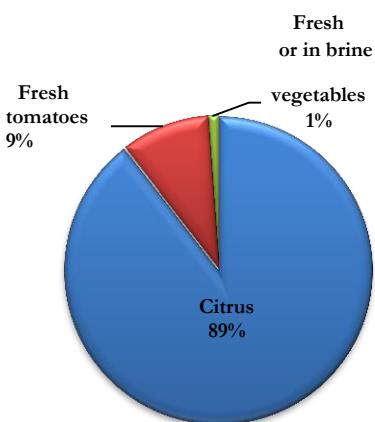
Graph 7: Dynamics of the Moroccan exports of fresh agri-food products to France (2007-2013)



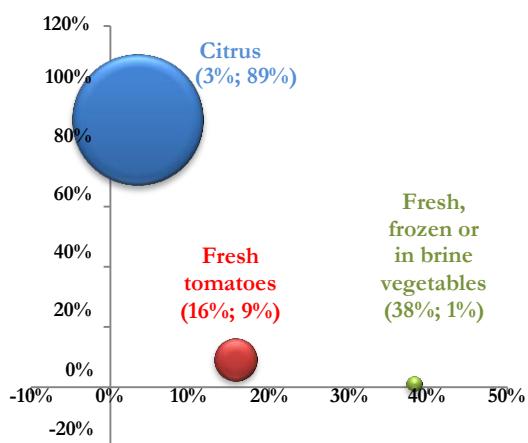
Source : Exchange Office Data, DEPF calculations

At the level of the Russian market, citrus and tomatoes (principal branches) represented, in average during the period 2007-2013, respectively 89% and 9% of the sector's general exports to this market. However, the increase of tomatoes' exports (16%) exceeded that of citrus. The latter registered a dynamic of 3% during the same period taking into account an important part of this branch in the market, particularly for the small fruits. During the current exports' season (2013/2014), Morocco is the first exporting country of small fruits to Russia (the first world market). In addition, it should be noted that fresh, frozen or in brine vegetables registered a significant growth (38%/year) despite their low weight (1%).

Graph 8: Structure of the Moroccan exports of fresh agri-food products to Russia (2007-2013)



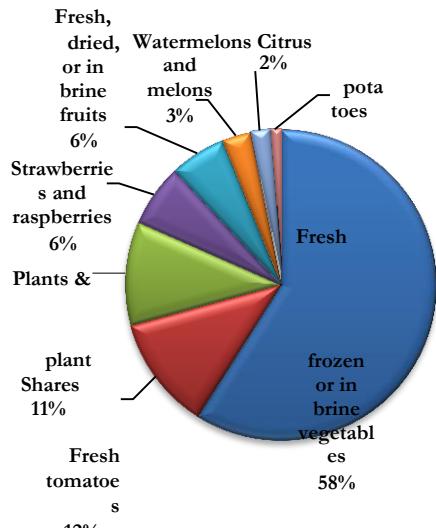
Graph 9: Dynamics of the Moroccan exports of fresh agri-food products to Russia (2007-2013)



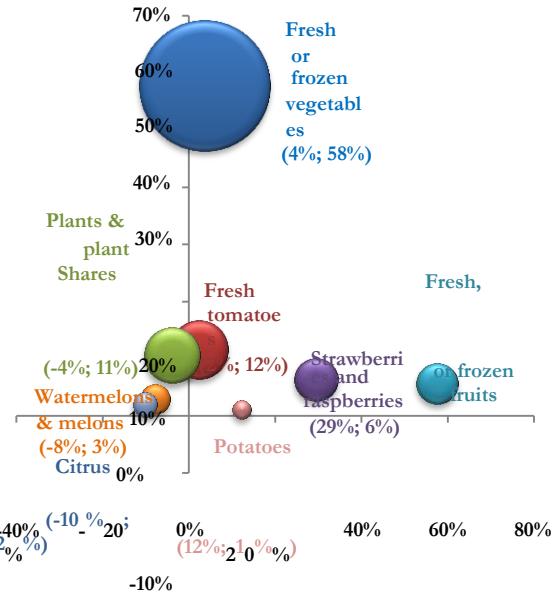
Source : Exchange Office Data, DEPF calculations

In the Spanish market, nearly 58% of the Moroccan exports of fresh agri-food products were composed, during the period 2007-2013, of fresh, frozen or in brine vegetables, followed by fresh tomatoes (12%) and plants and plant Shares (11%). On the other hand, citrus were poorly represented in the exports intended for Spain (2%) and have registered a decrease of 10%/year during the period, such as the case of watermelons and melons (-8%) and plants and plant Shares (-4%). Besides, the AAGRs of fresh, frozen or in brine fruits, strawberries and raspberries and potatoes were important and achieved respectively 57%, 29% and 12%.

Graph 10: Structure of the Moroccan exports of fresh agri-food products to Spain (2007-2013)



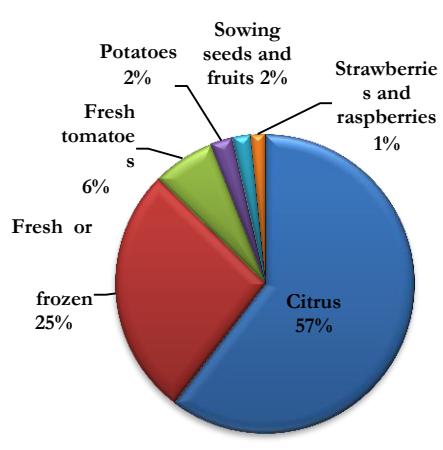
Graph 11: Dynamics of the Moroccan exports of fresh agri-food products to Spain (2007-2013)



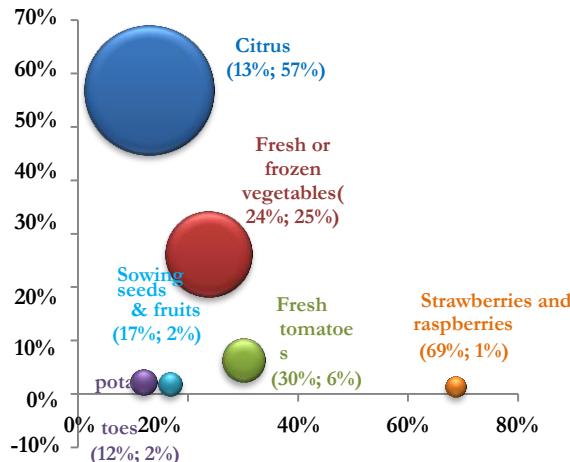
Source : Exchange Office Data, DEPF calculations

Concerning the Dutch market, citrus represented 57% of the sector's general exports to this market during the same period, followed by fresh, frozen or in brine vegetables (25%), whereas tomatoes represented only 6%. However, tomatoes' dynamics (AAGR of 30%) exceeded that of citrus (13%).

Graph 12: Structure of the Moroccan exports of fresh agri-food products to Netherlands (2007-2013)



Graph 13: Dynamics of the Moroccan exports of fresh agri-food products to Netherlands (2007-2013)



Source : Exchange Office Data, DEPF calculations

I.3. Analysis of the performances, competitiveness and perspectives of tomatoes and citrus branches

The analysis of the performances and competitiveness of the principal branches of the fresh agri-food products' sector, namely tomatoes and citrus, involves the examination of the economic and social weight of these branches, the challenges of their value chain, their performances and competitiveness in exports (structure and dynamics of exports per market and positioning of Morocco with regard to its main rivals), as well as the perspectives of their development, particularly in the framework of the Moroccan Green Plan.

I.3.1. Tomatoes' branch

I.3.1.1. Economic and social weight

In Morocco, tomatoes are among the main fresh agri-food products intended for exports and play a significant socio-economic role. Therefore, the exports of this branch exceeded the amount of MAD 3.3 billion in 2013. At the social level, the growing of tomatoes intended for exports generates an average of nearly 9 million working days per year both at the level of production and packaging and transformation.

Tomatoes average production achieved during the period 2007/2008-2012/2013 increased to nearly 1.27 million tons/year of which nearly 414.277 tons intended for exports (i.e. nearly 33% of the production). The rest of the production is intended for fresh consumption at the level of the interior market and to transformation.

The production of tomatoes is mainly concentrated in the regions of Souss-Massa-Drâa and Doukkala-Abda, and, to a lesser extent, in the Eastern regions, Oued-Eddahab-Lagouira, Greater Casablanca and Rabat-Zemmour-Zaer.

I.3.1.2. Value chain challenges

Tomatoes' branch in Morocco presents many structural advantages including, mainly, a recognized experience, a favorable climate and an internal market which allows to absorb the differences between production and exports. Moreover, this branch benefits from particular competitive advantages. These include, mainly, a good control of the production which highlights the Moroccan know-how in this field, an important skill through an effective follow-up, a quality management system, the qualification of large farms, vertical integration between large greenhouses and big exporters, as well as the possibility of growing for a long period of the year in the south of the country.

However, and despite these remarkable advantages for Morocco, this branch faces some constraints that limit its development in exports. These constraints may be summed up in the existence of wind or Chergui waves which may delay maturity and, therefore, impede trade commitments and lead to high costs of inputs (plastics and cardboards, for the majority imported to Morocco, are more expensive than in Europe), dilapidation of a part of the greenhouses park and the monthly paid quotas which limit zero duty exports to Europe.

In fact, one of the constraints that penalize Moroccan exports of tomatoes lies in entry quotas and prices imposed thereon to enter the European Union market during the period of October-May. Outside this period, between June and August, these exports are also braked in this market by the application of prohibitive tariff protection which makes Moroccan tomatoes less competitive. Another threat which may affect development perspectives of the Moroccan tomatoes exports in the European Union market is the new package recently adopted by the European Commission. This package changes the access conditions of vegetables and fruits to this market by introducing new customs clearance rules based on a flat-rate import value (VFI). This new package is likely to reduce the volumes exported by Morocco to this market. This requires the consolidation of efforts to defend the gains of Morocco in terms of entering the European Union market which have been preserved within the framework of the new Morocco-EU agricultural agreement.

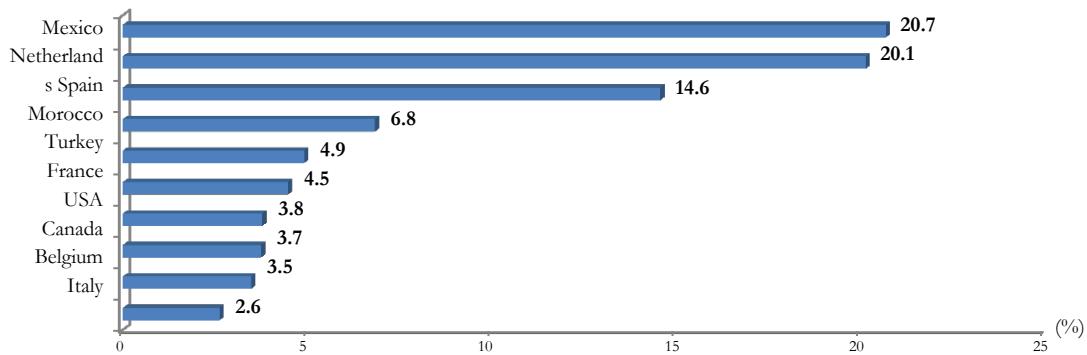
From another perspective, logistics constitute another handicap for the Moroccan exporters of fruits and vegetables in general because of the high costs which may represent in average 30% of the cost price of the exported products². In this respect, Moroccan exporters find themselves in unfavorable situation compared to their Spanish and Turkish rivals mainly because of the expensiveness of the international road transport in Morocco.

I.3.1.3. Exports' Performance and competitiveness

Mexico and Netherlands are the first exporters in tomatoes international market with respective Shares that increased by nearly 20.7% and 20.1% of the world exports in 2012, followed by Spain with a part of 14.6%. Morocco occupies the fourth position at the world level with a part of 6.8% of tomatoes world exports, overtaking Turkey which holds 4.9% of the world market.

² Source: "Logistics of the Moroccan branch of fresh tomatoes exports: economic and environmental challenges"; alert notes of CIHEAM, N°80-May 2012

Graph 14: Shares of the first ten exporters of tomatoes in the world exports in 2012

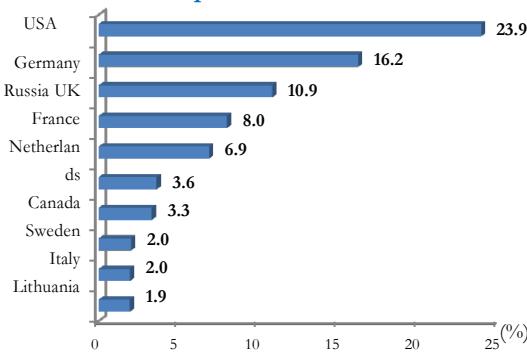


Source : ITC Trade Map Data, DEPF Calculations

Concerning importers, the USA are the first with 23.9% of world imports, followed by Germany (16.2%), Russia (10.9%) and the United Kingdom (8%). France occupies the fifth position with nearly 7% of tomatoes world imports.

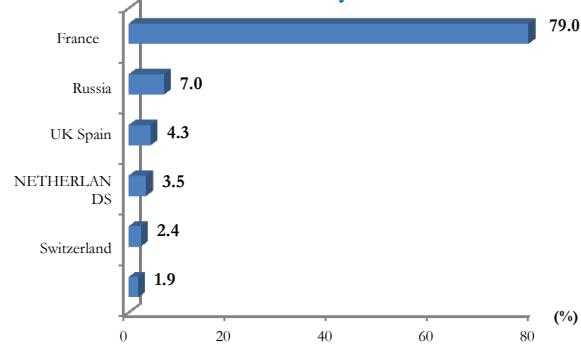
The analysis of the Moroccan tomatoes exports per country shows that they are mainly intended for France (79% of the total). Russia, Spain and the United Kingdom hold respectively 7%, 4.3% and 3.5% of the Moroccan total exports of this product. On the other hand, our country is quasi-absent from the American market which imposes extreme phytosanitary constraints on tomatoes. Concerning the Moroccan tomatoes exports to the German market (second world importer of this product with a part of 16.2% in 2012). These deserve to be more consolidated. It has access to it mainly via Saint Charles platform in France.

Graph 15: Shares of the first ten exporters of tomatoes in the world imports in 2012



Source: DITC Trade MAP Data, DEPF Calculations

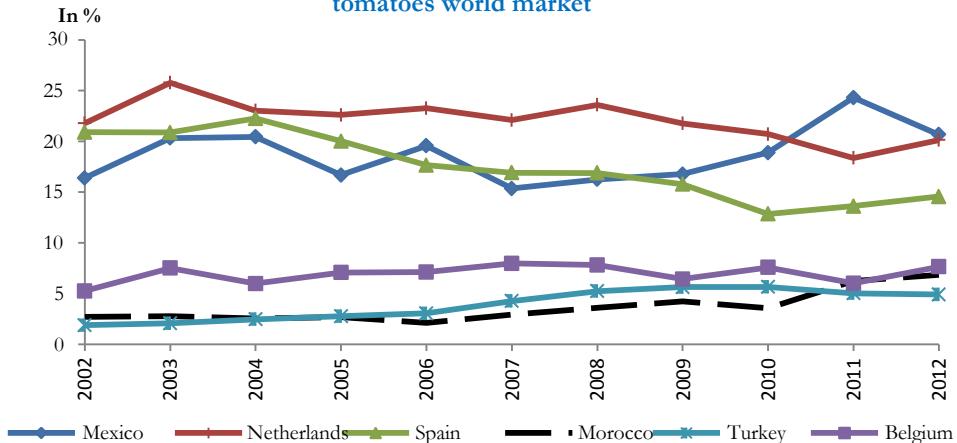
Graph 16: Structure of the Moroccan exports of tomatoes per importing country in 2012



Source: Exchange Office Data, DEPF calculations

The part held by Morocco in tomatoes world market registered a rising trend between 2002 and 2012, moving from 2.7% to 6.8%. Similarly, Turkey's part increased from 1.9% to 4.9% during the same period. On the other hand, Spain's part decreased to 14.6% in 2012 against 20.9% in 2002.

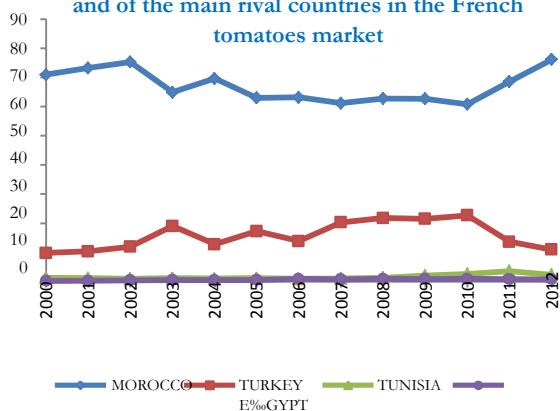
Graph 17: Shares of Morocco and of the main exporting countries in tomatoes world market



Source: ITC Trade Map Data, DEPF Calculations

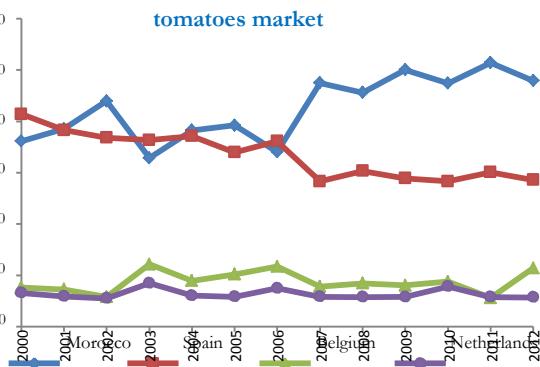
Besides, Morocco occupies a leading position in the European market, holding 76.2% of UE's imports in 2012 from countries outside the UE. Turkey holds the second position in this market with 11% of the European imports of tomatoes. It should be noted that Morocco is very present in the French market, holding nearly half of this market, followed by Spain (28.6% of the French imports of tomatoes) and Belgium (11.4%). In fact, Moroccan tomatoes branch benefits from comparative advantages, including particularly the geographical proximity with the EU market and the favorable conditions related to the agricultural agreement, which gave Morocco a favorable positioning in this market.

Graph 18: Shares of the Moroccan market and of the main rival countries in the French tomatoes market



Source: DITC Trade MAP Data, DEPF Calculations

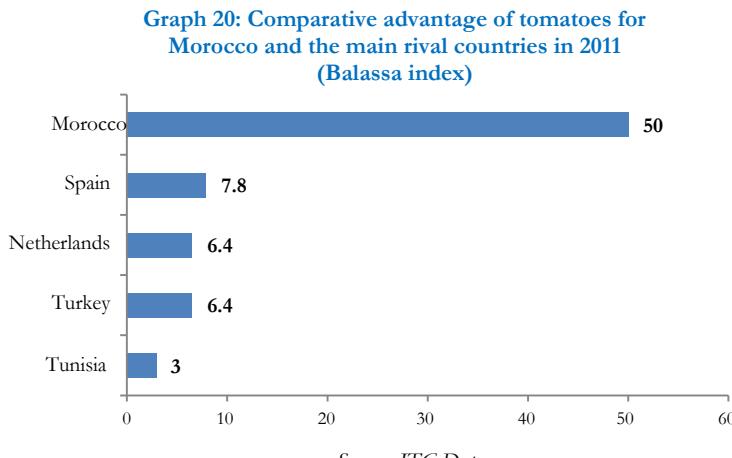
Graph 19: Shares of the Moroccan market and of the main rival countries in the French tomatoes market



Source : ITC Trade Map Data, DEPF Calculations

Moreover, the strong know-how of Morocco in the production of tomatoes allowed it to hold the highest comparative advantage³ compared to the rival countries. In fact, tomatoes occupy a fairly significant position in Moroccan general exports (2.5 % of the total in 2012), whereas this branch represents less than 1% in our main rival countries.

³ The comparative advantage is the ratio between the part of the product's exports (i) in the country's total exports and the part of the product's exports (i) in the world total exports



I.3.1.4. Branch's improvement perspectives

Tomatoes' branch is granted a particular attention in the framework of the program-contract entered into by the Government and the branch's representatives. This program-contract, which covers the entire branch of early fruits and vegetables market gardening, is about an investment of MAD 21 billion in the horizon of 2020, with a contribution of the State of MAD 2 billion. This is mainly about the implementation of supports intended for propping up investment in the framework of Agricultural Development Fund (ADF).

The action plan of implementing this program-contract is, particularly, about:

- Expanding the areas under greenhouses to 12.400 Ha and those of open filed to 9.000 Ha.
- Equipping an area of 28.000 Ha with localized irrigation system.
- Developing the aggregation around 70 to 150 integrated projects of the pillar I type of the Moroccan Green Plan.
- Increasing the packaging capacity by upgrading the existing units and creating new ones with the aim of adapting our products with the development of foreign markets' requirements.

The action plan is also about the consolidation of the organization of the branch by implementing a trade organization bringing together all the parties intervening in the branch, reinforcing applied research by, particularly, developing the activities of the technologies transfer center of Souss-Massa, as well as promoting exports by diversifying products based on the changing requirements of consumers (certification, follow-up...).

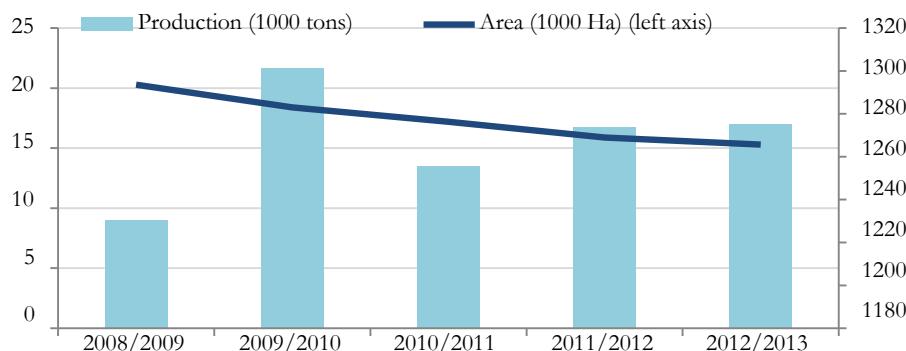
In particular, the main achievements of this program-contract were:

- The implementation, within the framework of Agricultural Development Fund, of incentives for the benefit of the market gardening branch in terms of acquiring and installing greenhouses, equipping farms with protection net against insects, saving water, acquiring agricultural equipments and units of boosting and promoting exports.
- The completion of the feasibility study of the project of Public-Private partnership for the building of seawater desalination infrastructures in the region of Chtouka Ait Baha.

- The creation of the market gardening trade organization (Fruits and Vegetables Interprofessional Federation (FVIF)).
- The conclusion of a convention between the Ministry of Agriculture and Maritime Fishing and FVIF for the purpose of reinforcing the Research & Development Association and technology transfer.
- The conclusion of a convention between the Ministry of Agriculture and Maritime Fishing and FVIF for the purpose of upgrading the market gardening profession.
- The putting into service of Agadir/Saint-Petersburg line to penetrate the Russian market and the facilitation of the passage through Tanger-Med port.
- The organization of specific international events (Felexport).

Since the implementation of the Moroccan Green Plan actions, particularly those related to supporting the inputs (farms equipment, water-saving irrigation...), the development of the performances of the Moroccan tomatoes branch production, since 2008, shows an improvement at the level of produced volumes in parallel with a significant decrease of areas. This shows an increase of production per cultivated hectare. In fact, the average yield of this crop moved from nearly 60.6 tons/hectare during the 2008/2009 season to nearly 83.3 tons/hectare in 2012/2013, i.e. an increase of 37.5%.

Graph 21: Development of the area and production of tomatoes during the period 2008/2013.



Source : Agriculture Department data, prepared by DEPF

I.3.2. Citrus branch

I.3.2.1. Economic and social weight

With a global area of 111.400 ha in 2012/2013, citrus branch constitutes the main source of income for 13.000 citrus producers. This branch allows to provide, directly or indirectly, a total of 21 million working days per year (i.e. nearly 90.000 permanent jobs) and revenues in exports that reached more than MAD 2.9 billion in 2013. It should be noted that 65% of the total area planted with citrus is equipped with a micro-irrigation system.

The annual average production of citrus achieved during the agricultural seasons 2008-2013 increased to nearly 1.6 million tons, of which more than 541.000 tons are intended for exports (i.e. 34% of the production). The rest of the production (66%) is intended for fresh consumption at the level of the interior market and to transformation. In parallel, 2013/2014 season should register under the impetus of the Moroccan Green Plan (MGP), a record production with more than 2.2 million tons (see point: I.3.2.4. Branch improvement perspectives)

At the economic level, citrus concentrated nearly 31% of exports of fresh agri-food products with an annual average growth rate of 2.1%. These exports oscillated around an average of MAD 3.1 billion (period of 2007-2013).

Citrus production comes from irrigated areas and the regions that produce them are Souss-Massa (41% of the total production), the Gharb (19%), the Eastern region (15%), Tadla (15%), Haouz (8%) and Loukkos (2%). The packaging of citrus is carried out in 48 packaging stations, of which 24 are in Souss, 20 in the regions of the center and 17 in the Eastern region. These stations, with a total packaging capacity of 1.200.000 tons, have treated during the last five seasons (from 2007/2008 to 2011/2012) nearly 70% of the total production.

I.3.2.2. Value chain challenges

Citrus branch presents many advantages as it, mainly, benefits from important investment incentives and has great hidden opportunities which are, in particular, the existence of free exchange agreements, possibilities for market diversification, as well as a full expansion of the interior market.

Even if significant efforts have been made to achieve a sustained development for the production and exports of citrus within the framework of MGP, this branch is impeded by, among others, aging orchards in some regions⁴, weak supervision of small and medium producers, weak efficiency of the use of irrigation water, particularly in the Gharb, increasing scarcity of water resources mainly in Souss, as well as the increase of production factors' costs, particularly energy and phytosanitary products.

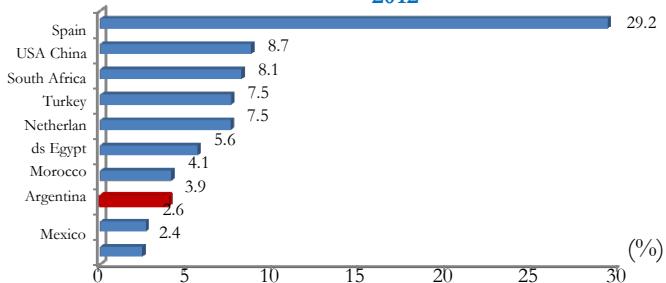
At the level of performance in exports, the branch of citrus -oranges- is mainly handicapped by the strong international competition (Spain, and currently Egypt and Turkey) and the delayed effect which will be caused by the rejuvenation of orchards. Besides, the organization of the profession should be consolidated in terms of coordination, particularly in export.

I.3.2.3. Exports' Performance and competitiveness

Spain, with nearly 29% of the world exports of citrus in 2012, dominates the world market, followed by the USA (8.7%) and China (8.1%). Morocco is in the eighth position, with 3.9% of the world exports. It should be noted that the world market witnessed the emergence of some rival countries, mainly Turkey (7.5% of the world) market and Egypt (4.1%).

⁴ The share of plantations in the beginning of aging ((age exceeding 35 years) reaches 24% of the national area (source : "The sector of fruits and vegetables in Morocco: condition of lands and perspectives » ; Information report of the Moroccan Institute of scientific and technical information (IMIST) ; April 2011).

Graph 22: Shares of the first ten exporters of citrus in the world exports in 2012

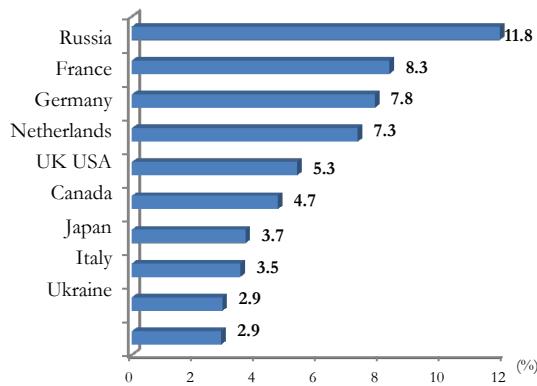


Source : ITC Trade Map Data, DEPF Calculations

Concerning importers, Russia is the first outlet for citrus in the world, with 11.8% of the total imports. It is followed by the UE countries, which are also big consumers of citrus, particularly France (8.3% of the world imports) and Germany (7.8%). The USA occupies the sixth position with 4.7% of the world citrus purchases.

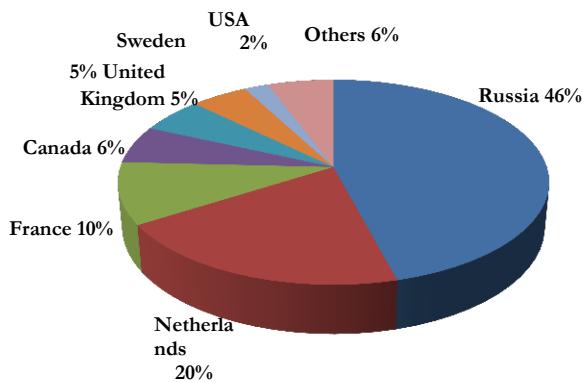
At the level of the geographical distribution of exports, Morocco has remarkably reduced its exports to the European market, and moved towards new destinations, particularly Russia, which absorbed 46% of the Moroccan exports of citrus in 2012. However, Morocco is still present in the markets of the Netherlands, France, which imported respectively 20% and 10% of the Moroccan exports of citrus in 2012.

Graph 23: Shares of the first ten importers of citrus in the world imports in 2012



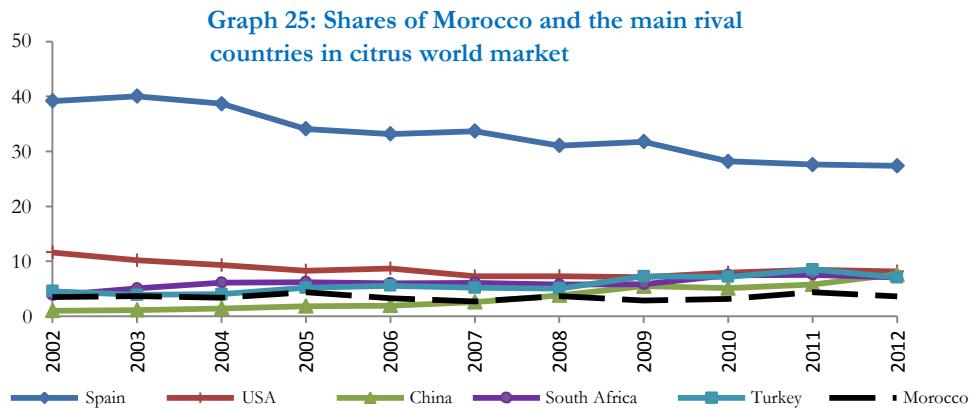
Source : DITC Trade MAP Data, DEPF Calculations

Graph 24: Geographical distribution of the Moroccan exports of citrus in 2012



Source : Exchange Office Data, DEPF calculations

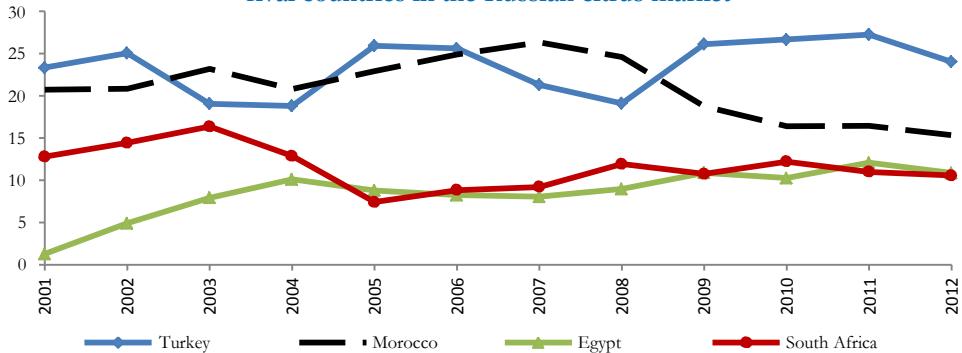
The share held by Morocco in the world market oscillated between 3% and 4.5% during the last decade. Spain holds the largest share of this market (29% in 2012), followed by the USA (8.7%) and China, whose share increased from 1% in 2002 to 8.1% in 2012.



Source: ITC Trade Map Data, DEPF Calculations

Morocco occupies the second position in the Russian citrus market with 15.3% of Russia's total imports in 2012, behind Turkey which holds 24% of this market. Moreover, Egypt strengthened its presence in this market and its share moved from 1.3% in 2002 to 11% in 2012. Egypt benefits from advantageous production costs and State's subsidies for logistics.

Graph 26: Shares of the Moroccan market and of the main rival countries in the Russian citrus market

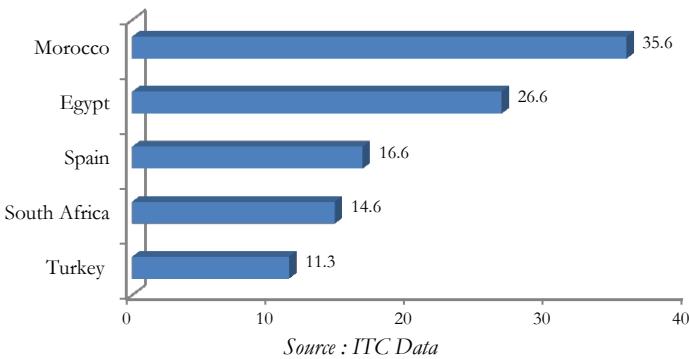


Source: ITC Trade Map Data, DEPF Calculations

Despite the upward trend of production, Moroccan exports of citrus registered a downward trend during the last years because of a local market which is growing in volume and in value (incentive price effect, particularly on oranges). Nevertheless, the share of the Moroccan market, particularly, in oranges is decreasing in the traditional markets, mainly the European Union. In addition, the exempted quotas in the UE market, within the framework of the Morocco-EU Agricultural Agreement, are used only in very low levels: 44.3% for clementine and hardly 19.5% for oranges (2010-2012).

It should be noted that Morocco is highly specialized in the production of citrus. This is shown by the high level of the comparative advantage of these products which represent 2.5% of the Moroccan total exports. Besides, the emergence of some countries such as Egypt and Turkey explains their similarly high comparative advantage. In fact, the share of citrus in Egypt and Turkey total exports is 2% and 1% respectively.

Graph 27: Comparative advantage of citrus for Morocco and the main rival countries in 2012 (Balassa index)

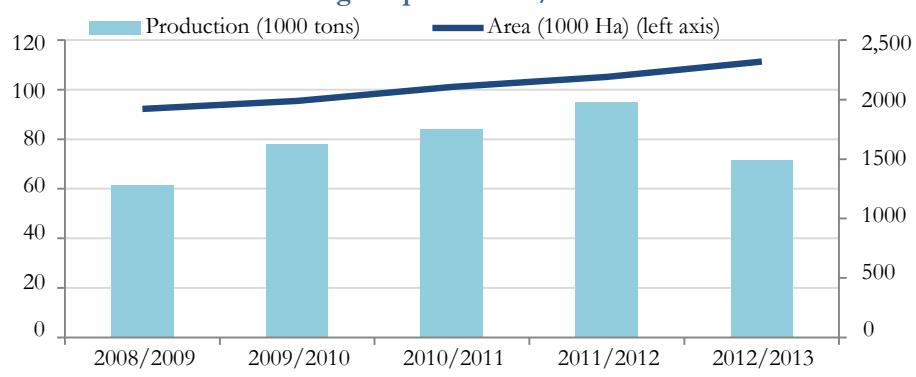


I.3.2.4. Branch improvement perspectives

The development of the branch of citrus is one of the main objectives of the Moroccan Green Plan. In this context, it is provided for increasing the production of citrus to 2.9 million tons and exports to 1.3 million tons in the horizon of 2020. This will allow a currency ratio of MAD 8 billion/year. For this purpose, it is provided for increasing areas to 115.000 ha with a concentration on 5 sites devoted to citrus (Souss, Haouz, Gharb, the Eastern region and Tadla) and finally an extension of Dakhla. Similarly, it is provided for generalizing the use of modern irrigation techniques, renew the aging orchards, as well as massively increase the volumes treated by the packaging stations.

In this context, it should be noted that the performances of the branch of citrus in Morocco, since 2009, the effective implementation of the MGP, have witnessed a significant improvement. In this way, the areas cultivated with citrus increased by 21% during the period 2008/2009-2012/2013, benefiting from improved incentives to expand the production capacity, and the production raised by 17% during the same period owing to a strengthened support to agricultural inputs (particularly localized irrigation). It should be noted that production decreased in 2012/2013. This is explained by exceptional unfavorable climate conditions which affected the first development stages of these crops during this season. Besides, it should be highlighted that the estimates of the Agricultural department for the current season, 2013-2014, should reach 2.2 million tons, which represents 76% of the objective set by the MGP in the horizon of 2020 (2,9 million tons).

Graph 28: Development of the area and production of citrus during the period 2008/-2013.



Concerning marketing, which constitutes one of the main challenges for the branch, it is provided for simultaneously developing the outlets of oranges and small fruits in order to satisfy, on the one hand, the expected strong growth of the national market (demographical growth and improvement of the purchasing power), and, on the other hand, recover some shares in some European markets, by focusing on two to three key markets (example: Germany, France) et on two to three strongly growing countries of the Easter Europe (example: Ukraine). In this regard, the approach adopted for developing the outlets will be differentiated (based on the products, item and channel) taking into consideration the characteristics and the level of development of each market around an offer-product (example: varieties, calendar), distribution channels (big distribution, importers), of market (focus of key countries) and of marketing (Morocco label, promotion with tourists).

In this context, the MGP brings some actions mainly relating to reinforcing the organization of the branch (creation of the trade organization Moroccan-Citrus), implementing an efficient and trustworthy logistics system (putting into service of the Agadir-Saint Petersburg line) and to reinforcing the observation of competition (future opening of the office of the Autonomous Institute of Exports Control and Coordination EACCE in Saint-Petersburg). On the other hand, the MGP considers the galvanization of the agrotech pole of the citrus branch based on the project "Citrus Development and Research Center" with a focus on varietal research and the improvement of productivity, the consolidation of partnerships between training institutes and professionals (continuous training, adaptation of teaching programs to the needs of the branch), as well as the supervision of the farmers (promotion of the best production techniques).

Among the other strategic axis, there is a room for noting the diversification of the offer by targeting growth drivers. It means to consolidate Morocco's citrus package which is dominated by oranges and small fruits, particularly by late varieties (Afourer) and by developing the production of lemon and grapefruit which have a strong demand potential.

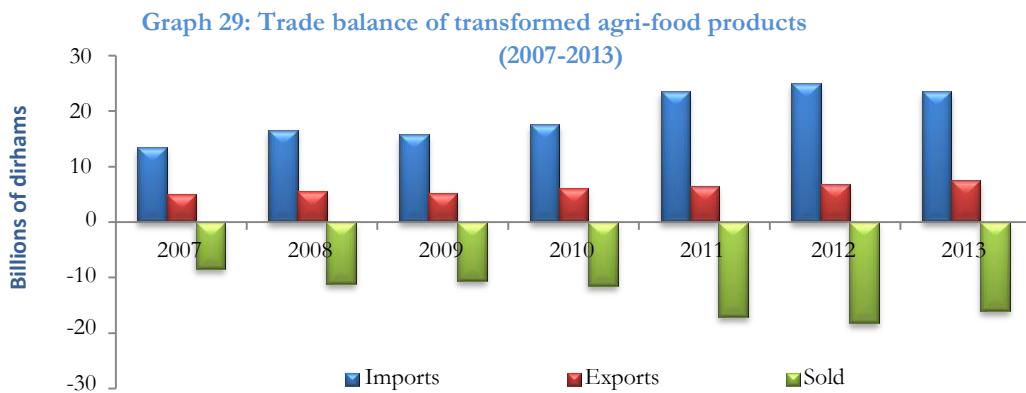
Finally, concerning the consolidation of access conditions of exports, it is provided for making an inventory of non-tariff barriers and implement an action program so that these shall no longer constitute an obstacle for Moroccan exports (example: certification for Souss to export to the USA).

II. Performance and competitiveness of the sector of agri-food industry

The analysis of the performance and competitiveness of exports of the sector of agri-food industry (AFI) examines the development of trade exchanges, highlighting at the same time the structure of exports per product and per market.

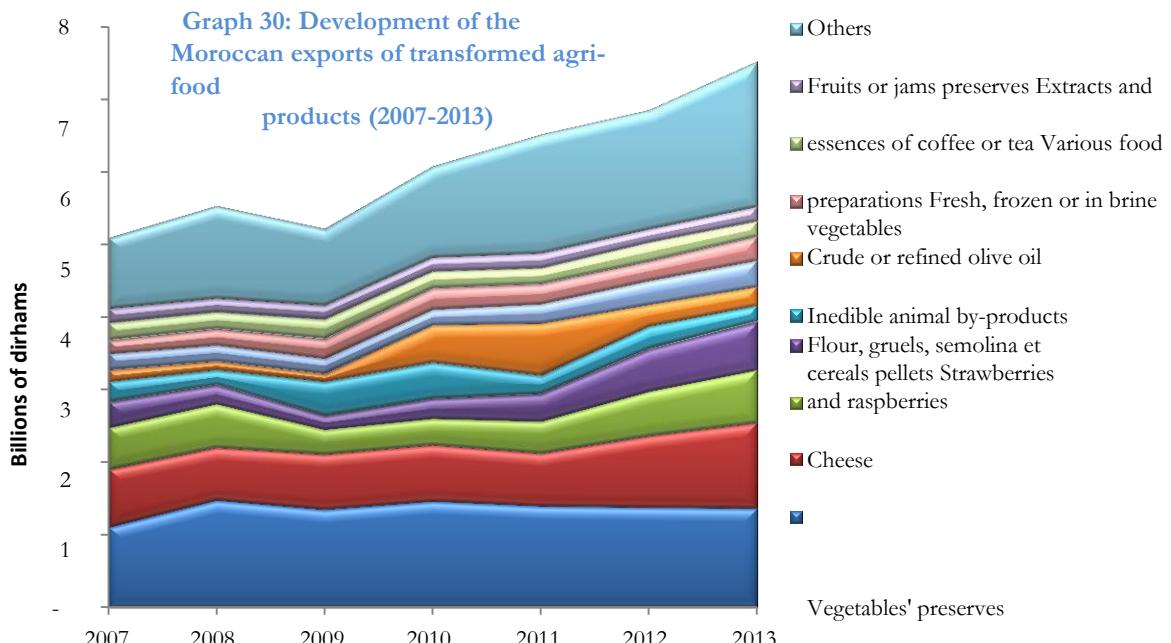
II.1. Development of trade exchanges

The trade balance of the AFI sector witnessed an aggravation during the period 2007-2013, by moving from a deficit of MAD 8.3 billion in 2007 to nearly MAD 16 billion in 2013 (with an annual average of nearly MAD 13.2 billion during the period 2007-2013). This deficit is mainly caused by fats (including imports of food oils) and sugar.



Source : Exchange Office Data, DEPF calculations

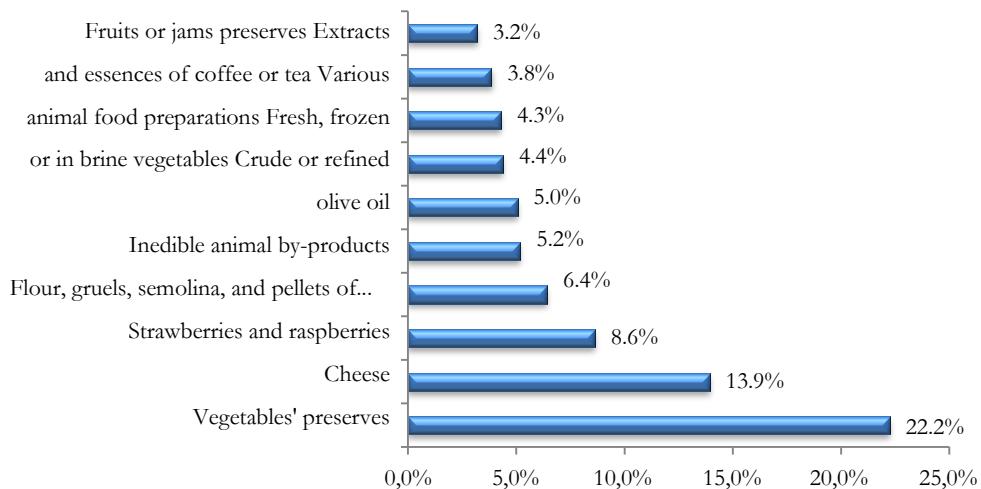
Per item, vegetables preserves registered, during the period 2007-2013, a quasi-stagnation of their exports, with an annual average of more than MAD 1.36 billion. Concerning the exports of the olive oil, they witnessed a significant shift between 2009 and 2011 by reaching a peak of MAD 700 million, before falling in 2013 by nearly 63%.



Source : Exchange Office Data, DEPF calculations

During the period 2007-2013, six items have, in average, concentrated nearly 62% of exports, including mainly vegetables preserves with 22.2% and cheese (14%).

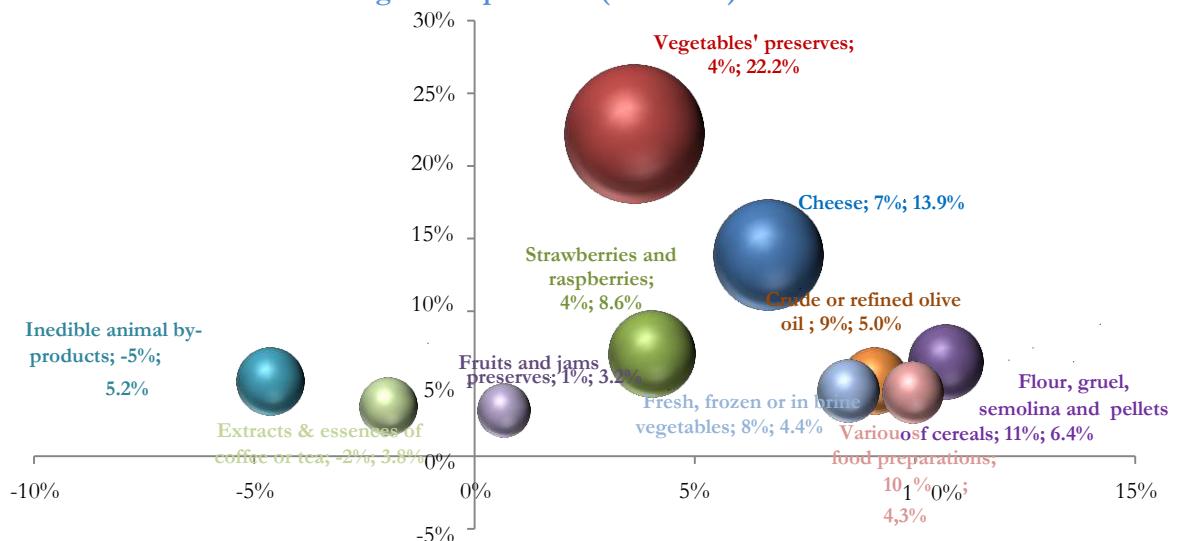
Graph 31: Dynamics of the Moroccan exports of transformed agri-food products (2007-2012)



Source : Exchange Office Data, DEPF calculations

The crossroad of the growth pace (annual average growth rate) and the weight of branches (shares in exports of different products in the sector's total exports) show that vegetables preserves and cheese present a moderate growth despite their important weight. Concerning their share, flour, gruels, semolina and pellets of cereals, present the main important growth potential with an annual average growth of 11% during the period 2007-2013.

Graph 32: Dynamics of the Moroccan exports of transformed agri-food products (2007-2013)

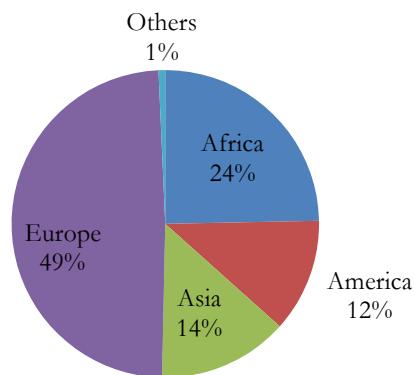


Source : Exchange Office Data, DEPF calculations

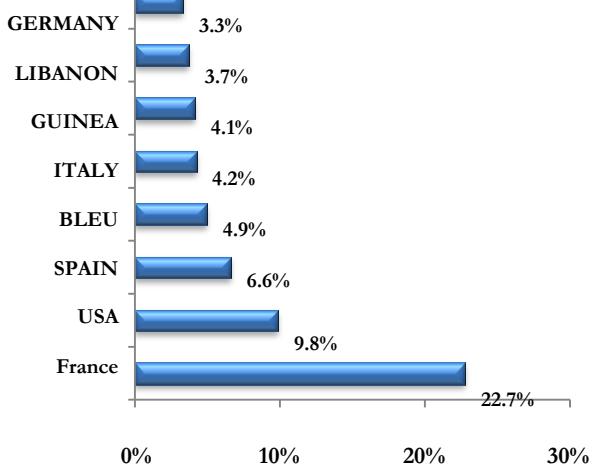
II.2. Development of the exports of agri-food industry per market

During the period 2007-2012, the exports of the Moroccan agri-food industry highly concentrated on the European market which absorbed an average of 49%. The strong concentration of these exports on the European continent made Morocco vulnerable vis-à-vis the development of the UE economic conditions. This situation also reflects huge opportunities that these exports cannot cease, particularly in the Asian and African markets. Accordingly, 8 countries (in 149 markets of exports for Morocco) concentrate in average nearly 61.7% of exports, with predominance of France (22.7%), followed by the USA (9.8%) and Spain (6.6%).

Graph 33: Structure of the Moroccan exports of transformed agri-food products per continent (2007-2013)



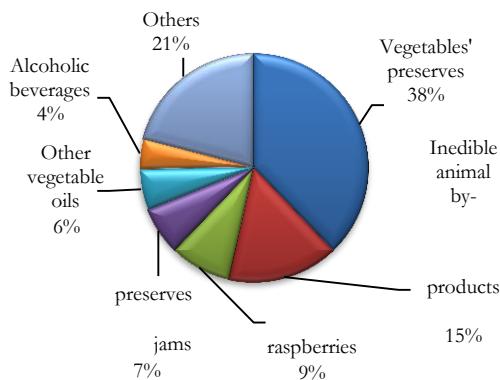
Graph 34: Main importing countries of the Moroccan agri-food products industry (2007-2013).



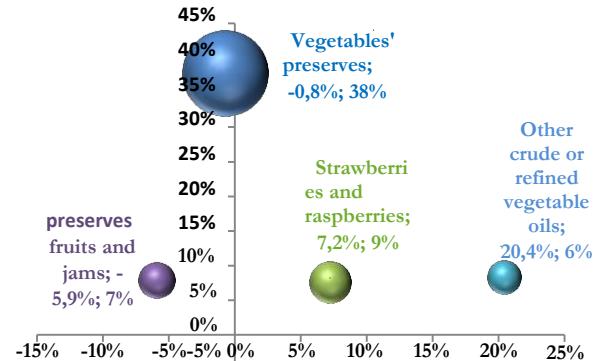
Source : Exchange Office Data, DEPF calculations

The analysis of the structure of the dynamics of AFI branches per main market reveals that this dynamics changes from one market to another market. In fact, even if vegetables preserves represent 38% of the sector's total exports to the French market, their dynamics remains negative (AAGR of -0.8%) during the period 2007-2013.

Graph 35: Structure of the Moroccan exports of transformed agri-food products to France (2007-2013)



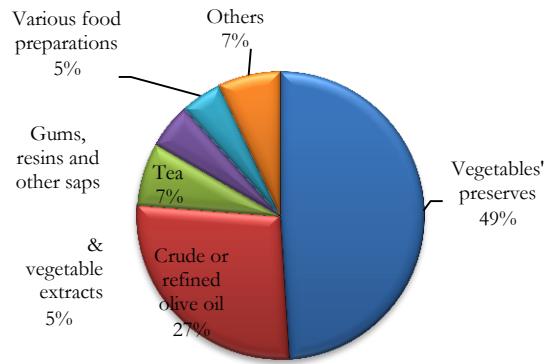
Graph 36: Dynamics of the Moroccan exports of transformed agri-food products to France (2007-2013)



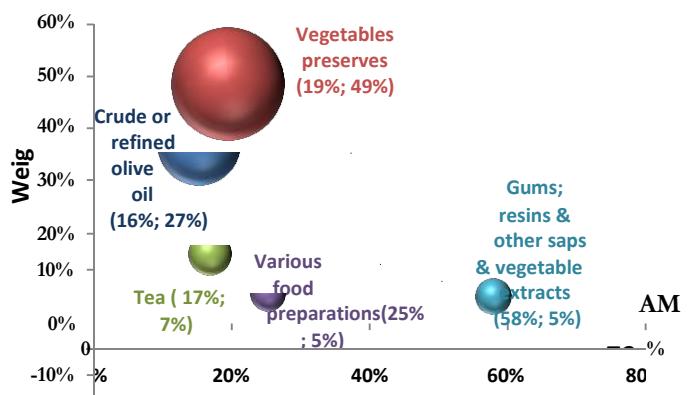
Source : Exchange Office Data, DEPF calculations

The analysis of the structure of the dynamics of the Moroccan exports of AFI branches to the American market shows that the preserves of vegetables and olive oil are predominant with respective weights of 49% and 27% and a growth of 19% and 16% respectively.

Graph 37: Structure of the exports of transformed agri-food products to USA (2007-2013)



Graph 38: Dynamics of the Moroccan exports of transformed agri-food products to USA (2007-2013)



Source : Exchange Office Data, DEPF calculations

II.3. Analysis of the performances, competitiveness and perspectives of the olive branch (olive oil and olive preserves)

The sector of transformed vegetable products is characterized by a low rate of the boosting of the Moroccan agricultural production. For the development of this sector, the branch of olives (including olive oil and olive preserves) constitutes a strongly growing niche at the level of the world market.

II.3.1. Economic and social weight

With its products and their use since centuries, as well as its multiple functions in fighting erosion, boosting agricultural lands and keeping populations in mountain zones, olive tree constitutes the principal cultivated fruit tree in Morocco. It extends over the whole national territory with the exception of the Atlantic coastline and very dry zones, owing to its capacity of adaptation with all the bioclimatic variables. The sector of olives insures an intense agricultural activity which allows to provide 15 million working days/year, i.e. the equivalent of 60.000 permanent jobs.

This sector, which involves more than 450.000 farms, contributes with an important proportion to the generation of income for a large number of poor farmers and plays, through its high energetic and nutritional products, a key role in rural population's food. It also contributes to the fulfillment of the country's needs in terms of edible oils. Moreover, the sector of olives contributes by 5% to the making of the national agricultural added value. Besides, olives' products contribute to exterior exchanges, knowing that Morocco occupied, in 2012, the third position in the world exports of table olives, after Spain and Greece.

Covering an area of 933.000 hectares in 2012/2013, divided into irrigated zone, mountain zone and favourable zone, the national farms make a total yield of nearly 1.2 million tons of olives (average of the period 2008-2013). The country also produces nearly 160.000 tons of olive oil and 90.000 tons of table olives.

In Morocco, olives trituration is carried out by a modern sector consisting of industrial and semi-industrial plants and by a traditional sector using hand-made machines (Maâssra). The modern sector comprises more than 327 industrial or semi-industrial plants with a capacity of transforming nearly 420.000 tons. The activity of traditional trituration comprises more than 16.000 plants of a total annual capacity of 170.000 tons.

Concerning the branch of olive preserves, which strongly contributes to exports, it absorbs nearly 25% of the national production of olives and it consists of two sectors: traditional and modern. The traditional activity of conserving olives is not structured and it is, mainly, part of the retail trade using traditional techniques. Modern conservation, on the other hand, is carried out by nearly 68 plants, which make a total capacity of nearly 190.000 tons per year.

II.3.2. Value chain challenges

Moroccan olive branch benefits from many advantages, such as investment incentives, the existence of a potential at the level of the interior market⁵, the growth of the world demand, as well as the free exchange agreements with the USA and the EU, which give a free access to the Moroccan olive oil without quota limit in these markets. In addition to this, there is the emergence of recent big integrated groups from production to consumption, within the framework of aggregation, producing olive oil for export.

However, the analysis of the branch of olive oil shows that the low technological level seen in the depreciation of the quality of the raw material, because of the bad conditions of its handling, gives oils that do not comply with the international standards. Similarly, the absence

of control of the quality at the level of traditional transformations plants negatively affects the quality of the produced oils.

In another respect, this branch is characterized by the predominance of the local marketing of olive oil which absorbs nearly 90% of the annual average production which is generally transformed in a traditional manner (Maâssra).

The exports of this branch are also handicapped by the fluctuation at the level of productions which are affected to climate constraints. Accordingly, water remains a key factor for the competitiveness of the branch of olives. To this shall be added the issue of the organization of the branch of olives, which became a prior field for a better competitiveness of the Moroccan olive oil in both the local market and the international one.

In addition, the Moroccan exports of olive oil face the competition generated by the importance of the support granted to rival countries, mainly European ones (aid to producers) and to restrictive standards of quality and marketing (follow-up, labeling...).

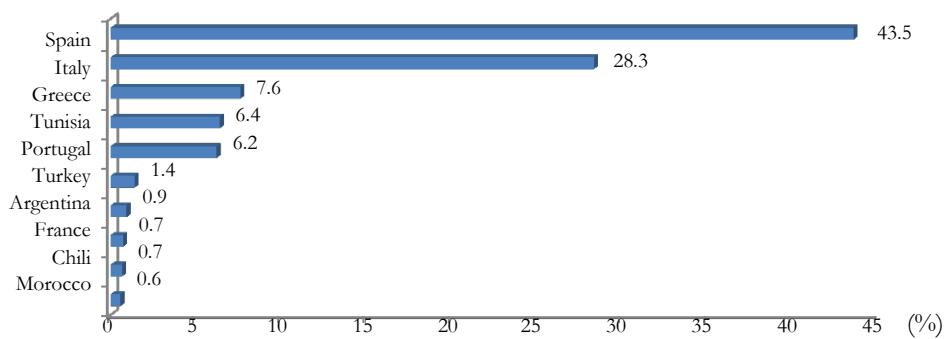
II.3.3. Exports' Performance and competitiveness

II.3.3.1. the case of olive oil

Olive oil holds a significant position in the consumption of vegetable oil worldwide. Spain is the first exporter of this product, with a market share of 43.5% in 2012. It is followed by Italy (28.3%), Greece (7.6%) and Tunisia (6.4%). In 2012, Morocco was ranked as the second world supplier of olive oil whereas it was the sixth in 2010.

⁵ The consumption of this product is still low in Morocco with a quantity that does not exceed 2.5 Kg of oil/person/year, against 26.4 Kg in Greece, 15.8 Kg in Spain, 12.8 Kg in Italy and 5 Kg in Syria.

Graph 39: Shares of the first ten exporters in the world exports of olive oil in 2012

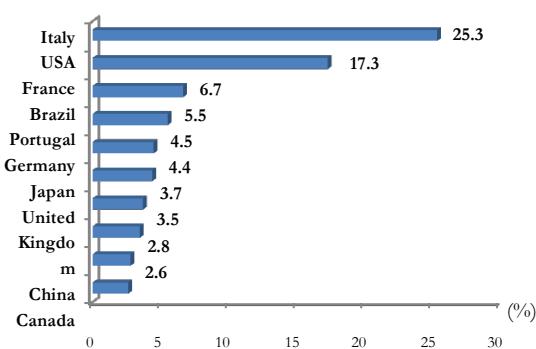


Source: ITC Trade Map Data, DEPF Calculations

Concerning the imports, despite the importance of the European consumption, we note during the last years an opening to new markets for oil, namely the USA, Japan, China and Canada. Italy is the first olive oil importer, with nearly the quarter of the world imports, followed by the USA (17.3% of the world imports) and France (6.7%).

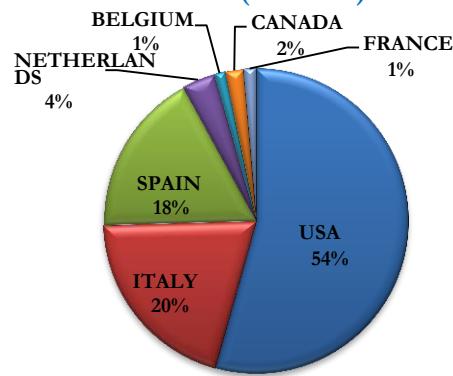
The Moroccan exports of olive oil are concentrated in three main markets, namely the USA, Italy and Spain, with respective shares of 54%, 20% and 18% in average during the period 2007-2012. On the other hand, the Moroccan olive oil exports are less present in the French market (1% of the total exports) and the Canadian (2%) and are quasi-absent from the markets of Brazil, Portugal and Germany. Accordingly, Morocco should consolidate its presence in these markets, which appear among the first importers of this product at the world level.

Graph 40: Shares of the first ten Importers of olive oil in the World imports in 2012



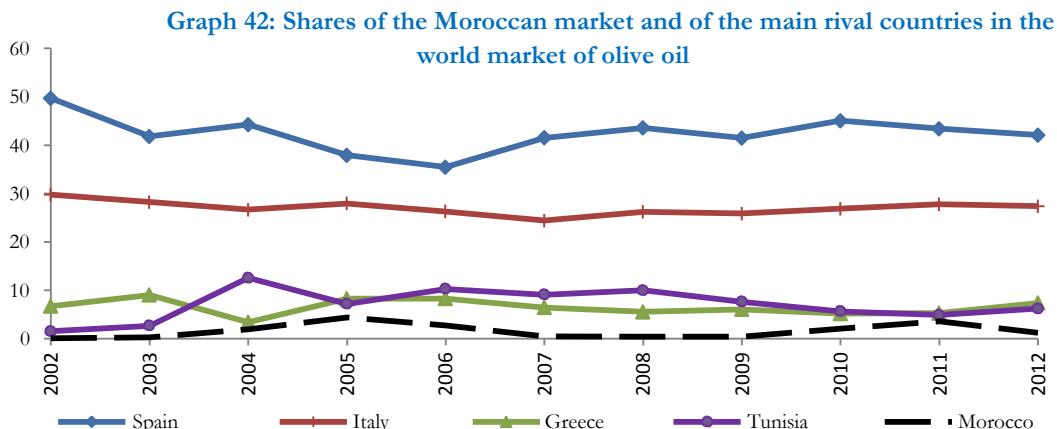
Source: ITC Trade Map Data, DEPF calculations

Graph 41: Structure of the Moroccan exports of olive oil Per market (2007-2012)



Source : Exchange Office Data, DEPF calculations

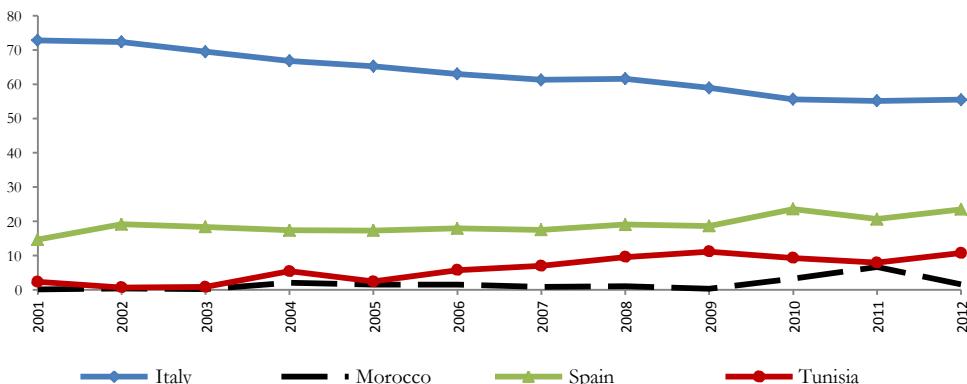
The share held by Morocco in the world market of olive oil oscillated between 0.5% and 4% between 2002 and 2012. In fact, the Moroccan exports of olive oil are characterized by an important fluctuation. In addition, the low technological level and the depreciation of the raw material quality make the Moroccan olive oil insufficiently adapted to international standards.



Source : ITC Trade Map Data, DEPF Calculations

In the American market of olive oil, Italy is very present, holding 55% of this market, followed by Spain (23%). The share of Tunisia registered an upward trend, reaching 10.7% in 2012. Similarly, the share of Morocco reached 6.6% in 2011, before falling to 1.5% in 2012.

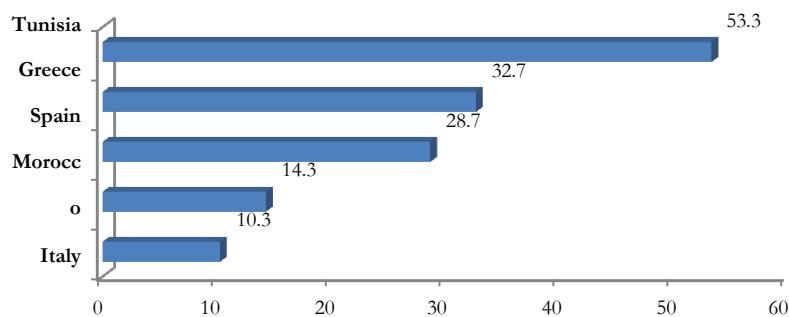
Graph 43: Shares of the Moroccan market and of the main rival countries in the American olive oil market



Source : ITC Trade Map Data, DEPF Calculations

Tunisia holds the highest comparative advantage among the main olive oil exporters, bearing in mind its strong know-how with this product. Greece and Spain hold also significant comparative advantages. Concerning its share, Morocco is not very present in this field, however, the Moroccan Green Plan launched by the country, aims to develop this branch in a way to make it a real industry.

Graph 44: Comparative advantage of olive oil of the main exporting countries in 2011 (Balassa index)

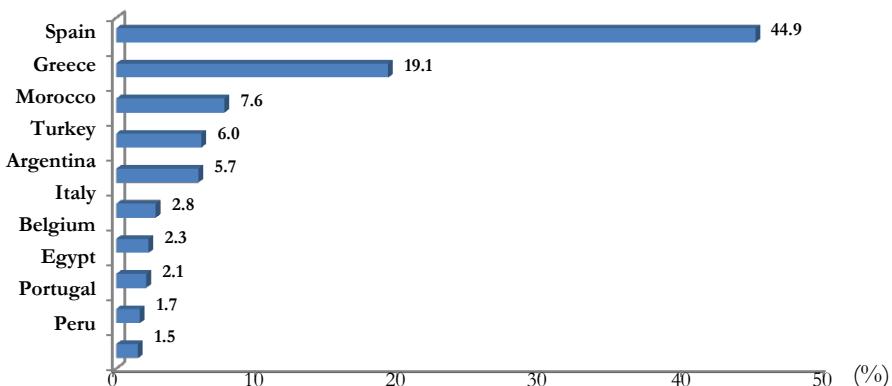


Source: ITC Data

II.3.3.2. the case of olive preserves

Morocco occupied the third position among the world exporters of olive preserves in 2012. Concerning Spain, it remains the first world exporter of olive preserves, monopolizing nearly 45% of world exports, followed by Greece (19.1%).

Graph 45: Shares of the first ten exporters of olive preserves in the world exports in 2012



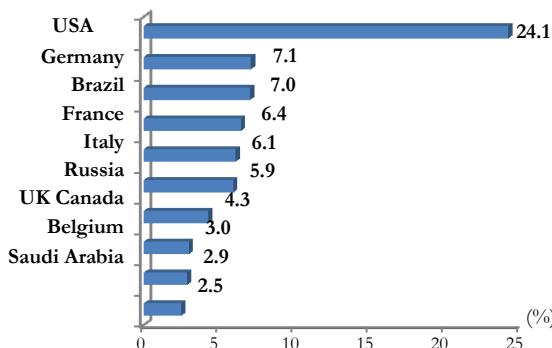
Source: ITC Trade Map Data, DEPF Calculations

Concerning imports, they are dominated by the USA (24.1% of the world imports). Germany and Brazil are also big importers (7.1% and 7% respectively).

Concerning the Moroccan exports of olive preserves, they are concentrated in the markets of France and the USA, which represented respectively 35% and 27% of these exports.

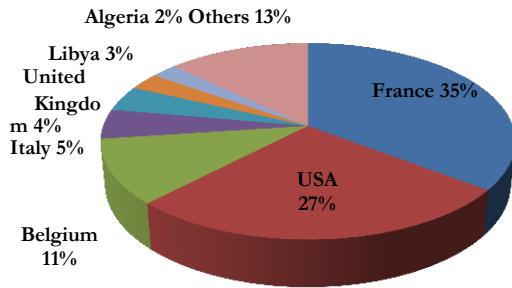
Besides, Morocco should improve its share in the German market (second importer of olive preserves at the world level) and make efforts to better penetrate markets such as Brazil and Russia.

Graph 46: Shares of the first ten importers of oil preserves in the world imports in 2012



Source: ITC Trade Map Data, DEPF calculations

Graph 47: Geographical distribution of the Moroccan exports of olive preserves in (2012)

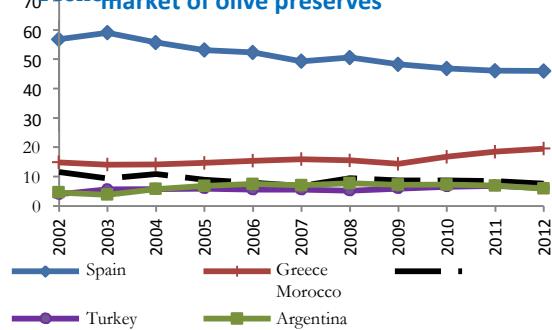


Source : Exchange Office Data, DEPF calculations

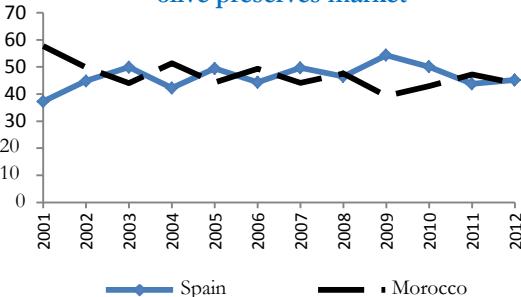
The market share of Spain, the first producer of olives at the world scale, decreased by ten points during the last decade and stopped at 45% in 2012. The Moroccan exports of olive preserves presented 7.6% of the world imports in 2012, after 11.5% in 2002. Those of Greece, on the other hand, increased to reach 19.1% of the world imports in 2012.

Morocco is very present in the French market of olive preserves. In fact, this market is shared between Spain (45% in 2012) and Morocco (44%).

Graph 48: Shares of the Moroccan market and of the main rival countries in the French market of olive preserves



Graph 49: Shares of the Moroccan and Spanish markets in the French olive preserves market



Source : ITC Trade Map Data, DEPF Calculations

II.3.4. Branch improvement perspectives

Olive tree benefits, within the framework of the Moroccan Green Plan, from an important support based on the improvement of the key conditions of the olive branch, the boosting on the production and the promotion of its quality. The national ambition is to reach 1.220.000 ha in the horizon of 2020, which will allow to make a total yield of olives of 2.500.000 tons. This may be done by expanding the existing olive orchards from 250.000 to 350.000 ha, creating new intensive poles in the irrigated area to move from 130 to 170.000 ha, and leading social conversion products in piedmont and unfavorable bous in nearly 300.000 ha. In terms of exports, the MGP provides for reaching 120.000 tons for olive oil and 150.000 tons for table oils.

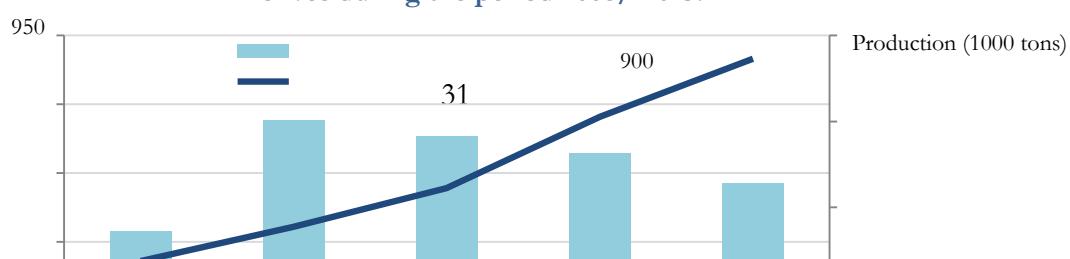
Accordingly, olive oil stands as a leading branch, which is part of the branches that the Moroccan Green Plan wants to develop through consequent investments. In fact, the program-contract between the State and representatives of this branch is financed to the proportion of 28.5% by the public funds.

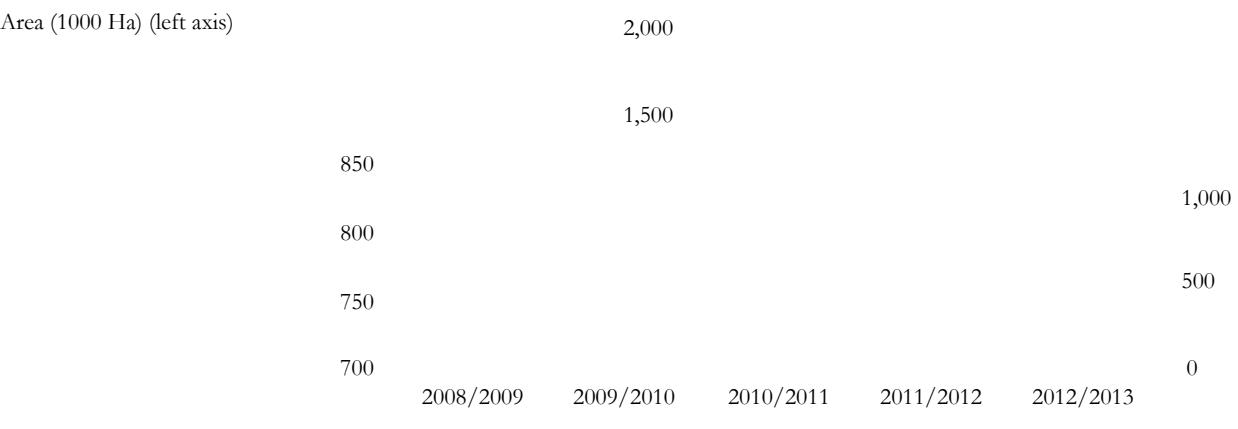
Among the main points of this program-contract, there is the realization of 510 integrated projects for the purpose of improving the productivity and quality, developing a strong and perennial boosting, implementing an oil pole in the region of Marrakech specialized in table oil, reinforcing the activities of the olive tree agropole in Meknes specialized in olive oil, promoting and diversifying exports, as well as reinforcing supervision and applied research programs.

The Moroccan Green Plan also provides for the occupation of new oil markets (mainly China) and the improvement of its positioning in the strongly growing markets (the USA).

The analysis of the achievements of branch of olives since the launching of the MGP in 2008 shows a favorable development with an increase of nearly 19% of cultivated areas and 32% of production between 2008/2009 and 2012/2013. This positive trend of areas was encouraged by the consolidation of incentives for expanding the production capacity, mainly within the framework of the program of cereals conversion to branches with high added value and which resist drought such as olive cultivation. Concerning production, the achieved performances, which allowed to move to a higher level of production, were made possible thanks to the re-booster of incentives of productive inputs of the branch within the framework of the revision of the ADF.

Graph 50: Development of the area and production of olives during the period 2008/-2013.





III. Conclusion and paths to progress

The analysis of the performances of the Moroccan fresh agri-food sector, including all products, during the period 2007-2012 shows a degradation of the trade balance deficit (nearly MAD 13.7 billion in 2012 against MAD 10.6 billion in 2007) under the effect of the cereals' imports. However, this trade deficit of the products decreased in 2013 by MAD 8.4 billion compared to 2012, because of an unprecedented yield in cereals which reached 97 million quintals during the 2012/2013 season.

Excluding cereals, the trade balance of fresh agri-food products registered an average surplus of MAD 4.5 billion during the period 2007-2013 by moving from MAD 3.7 billion in 2007 to MAD 7.1 billion in 2013.

This analysis also reveals a concentration of the Moroccan exports on three items (31% for citrus, 27% for tomatoes and 20% for fresh frozen vegetables), as well as a strong concentration of agri-food exports on the European market (nearly 77% in average).

Per product, the analysis of the performance of the Moroccan exports of tomatoes showed an improvement of the part held by Morocco in the world market between 2002 and 2012, moving from 2.7% to 6.8% allowing our country to occupy the fourth position at the world level in 2012. In the European tomatoes market, Morocco held, in 2012, more than 76.2% of this market's imports from outside the UE. Per market, Moroccan tomatoes exports are mainly intended for France (79%). On the other hand, our country is quasi-absent from the American market which imposes extreme phytosanitary constraints on tomatoes. Concerning tomatoes exports to Germany (second world importer of this product with a part of 16.2 in 2012), they deserve being more consolidated. These enter this country mainly via Saint Charles platform in France.

Moroccan tomatoes branch benefits from undeniable comparative advantages, particularly the geographical proximity, which allowed the country to have a favorable positioning in the European market. Similarly, the strong know-how in the production of tomatoes allowed Morocco to get the highest comparative advantage compared to rival countries. However, the competitiveness of tomatoes in exports stays handicapped by, mainly, the monthly paid quotas which limit the volumes in Europe and the entry price imposed during the October-May period. Besides, there is the application of a prohibitive tariff protection between June and August, which makes Moroccan tomatoes less competitive. Another threat that is likely to affect the perspectives of improving Moroccan tomatoes exports in the UE market is the new package adopted by the European Commission. This package brings a change to the entry conditions for fruits and vegetables to this market. It is likely to reduce the volumes exported by Morocco to this market. This situation necessitates the consolidation of efforts in order to defend the Moroccan gains in terms of UE market access, which were preserved in the framework of the new Morocco-EU agricultural agreement.

In the perspective of improving the performance of tomatoes branch in Morocco, a program-contract was entered into by the Government and the branch's representatives for the purpose of providing institutional, technical and financial support for this branch. By virtue of this program-contract, a participative process, which was introduced in the framework of the Moroccan Green Plan, was implemented by the performance of several actions for developing the branch. These included, mainly, the creation of the trade organization (Interprofessional Federation of Fruits and Vegetables (FIFEL)), the consolidation of Research-Development, as well as the promotion of marketing.

It should be noted that since the implementation of the Moroccan Green Plan actions, particularly those related to supporting the inputs (farms equipment, water-saving irrigation...), the development of the performances of the Moroccan tomatoes branch production, since 2008, shows an improvement at the level of produced volumes in parallel with a significant decrease of areas because of the increase of the productivity per cultivated hectare (from 60.6 tons/hectare for the 2008/2009 season to nearly 83.3 tons/hectare in the season of 2012/2013). Concerning citrus, the analysis of the performances of this branch in exports shows that the share of the Moroccan exports in the world market oscillated between 3% and 4.5% during the last decade. Spain holds the biggest share of the market (29% in 2012), followed by the USA (8.7%). Our country was ranked eighth with 3.9% of the world exports in 2012.

It should be noted that Morocco is very present in the main citrus importing markets at the world level, namely Russia, France and the Netherlands. These represented respectively 11.8%, 8.3% and 7.3% of the total world imports in 2012.

In the Russian citrus market, Morocco was ranked second in 2012, with 15.3% of Russia's total imports, behind Turkey, which held 24% of this market. Besides, Egypt, which benefits from advantageous production costs, strengthened its presence in this market as proven by the strong increase of its share: from 1.3% in 2002 to 11% in 2012.

Accordingly, the Moroccan citrus branch faces a merciless international competition (Spain and currently Egypt and Turkey) which incites to improve its competitiveness through a better exploitation of all the advantages, including, mainly, its long experience in production, as well as through the consolidation of its organization and coordination in exports.

In the perspective of improving the performances of the branch of citrus in Morocco, and in addition to the development of the trade organization through the effective creation of Maroc Citrus, the MGP provides for increasing exports while developing the outlets of oranges and small fruits. In addition, concerning the consolidation of access conditions to markets for exports, it is provided for making an inventory of non-tariff barriers and implement an action program to get adapted to them (example: certification to Souss for exports to the USA). Moreover, a program of conquering market shares in new outlets (example: Ukraine) and those in development.

In this context, it should be noted that the performances of the branch of citrus in Morocco, witnessed, since the implementation of the MGP, a significant improvement. Accordingly, the areas cultivated with citrus increased by nearly 21% between 2007/2008 and 2012/2013, benefiting from consolidated incentives to expand the production capacity. Besides, it should be highlighted that the estimates of the Agricultural department for the current season, 2013-2014, should reach 2.2 million tons, i.e. 76% of the objective set by the MGP in the horizon of 2020 (2.9 million tons).

Besides, the analysis of the performances of the Moroccan sector of agri-food industry, during the period 2007-2013, shows an aggravation of the trade balance deficit, with an annual average amount of MAD 13.2 billion. This deficit is mainly caused by fats (including imports of food oils) and sugar. Concerning the structure of exports, it is composed, mainly, of vegetables preserves to the proportion of 22% and cheeses (14%). The exports of the Moroccan agri-food industry were strongly concentrated in the European market, which absorbed in average 49% of exports during the same period.

Concerning the branch of olives, the share held by Morocco in the world market of olive oil moved from 0.5% to 4% between 2002 and 2012. It should be noted that Moroccan olive oil were concentrated in three main markets, namely the USA, Italy and Spain, with respective Shares of 54%, 20% and 18% in average during the period of 2007-2012. On the other hand, the Moroccan olive oil exports are less present in the French market (1% of the total exports) and the Canadian one (2%) and are quasi-absent from the markets of Brazil, Portugal and Germany. Accordingly, Morocco should consolidate its presence in these markets, which appear among the first importers of this product at the world level.

Concerning Moroccan exports of olive preserves, Morocco was ranked third among the world exporters of these products with a share of 7.6% of the world exports in 2012. Morocco exports olive oils mainly to France and the USA (35% and 27% respectively of the Moroccan exports in average during the period 2007-2012). Besides, Morocco should improve its share in the German market (second importer of olive preserves at the world level) and make efforts to better penetrate markets such as Brazil and Russia.

Moroccan olive branch benefits from many advantages, such as investment incentives, the growth of the world demand, as well as the free exchange agreements with the USA and the UE, which give a free access to the Moroccan olive oil without quota limit to these markets. In addition to this, there is the emergence of recent big integrated groups from production to consumption, within the framework of aggregation, producing olive oil for export.

However, the branch of olives faces some challenges related mainly to fluctuations of products, which are affected by climate constraints, organization of the branch as well as by the control of quality at the level of traditional transformation plants, which negatively affects the quality of produced oils and generates oils not complying with the international standards, even if they are largely consumed in the local market.

In the perspective of improving the performances of the olive branch in Morocco, the MGP provides for many development axis, which aim to improve productivity, boost the yield and promote its quality, implement an oil pole in Marrakech specialized in table oil, consolidate the activities of the olive tree agropole in Meknes specialized in olive oil, promote and diversify exports, as well as to consolidate supervision and applied research programs. The Moroccan Green Plan also provides for the occupation of new oil markets (China) and the improvement of its positioning in the strongly growing markets (the USA).

The analysis of the achievements of the olives branch since the launching of the MGP in 2008 shows a favorable development with an increase of nearly 19% of cultivated areas and 32% of production between 2008/2009 and 2012/2013. This positive trend of areas was encouraged by the consolidation of incentives for expending production capacity, as well as the re-boosting of incentives for productive inputs of the branch within the framework of the revision of ADF.

In the light of the analysis of the performances of different branches of the agri-food sectors and industry, some paths to progress are suggested to even improve the competitiveness of these branches.

III.1. Tomatoes and citrus branches

Based on the strategic axis, the suggested measures are as follows:

Diversification of the offer and exports' outlets

Concerning the branch of citrus, Morocco is invited to reposition itself in the international markets against an increasingly merciless competition (Egypt, Turkey, South Africa...). For this purpose, any policy adopted in this context should be driven by a global strategy for a better boosting of the product in order to establish a Morocco label in the international citrus market. In this context, the consolidation of the Moroccan market shares in its traditional outlets (Russia, the Netherlands...) and the improvement in developing markets (Ukraine, Germany, United Kingdom, the USA, Canada, Africa...) become a major must, mainly, in a national context characterized by the increase of the citrus production quantity incited by the efforts made within the framework of the Moroccan Green Plan.

For the branch of tomatoes, it would be suitable to reposition in new markets such as those of Eastern Europe where Moroccan products are highly valued. Similarly, efforts should be consolidated at the level of marketing in order to improve the image of the Morocco product.

Adaptation of the support policy for the improvement of exports' logistics

The efforts of public authorities should be focused on actions of support targeted by the consolidating of growing niches and the appropriate logistics means. In fact, logistics constitute another handicap for the Moroccan exporters of fruits and vegetables in general. This is because of the high costs which may represent in average 30% of the cost price of the exported products⁶. Dealing with this major handicap should allow Moroccan exporters of agri-food products to seize the important opportunities offered by some high potential markets, particularly at the level of Arab countries of the Middle East, African countries...

Promotion of investments in research & innovation

The promotion of research & development supposes a consolidation of investments in the field of innovation and development of new varieties, taking into account the improvement of the food safety of all products. In parallel with the improvement of quality, there is room for cultivation techniques in terms, mainly, of efficient management of irrigation systems, of integrated biological control, of phytosanitary control and of fertilization rationalization. Following the example of implementing a center for development and research devoted to citrus in the region of Gharb, as well as the center of research-development and quality control, which is part of the agropole of Berkane (inaugurated in 2013), there is room for reinforcing the creation of research centers in particular, in terms of the varietal improvement of citrus and rootstock (rootstock resist diseases and present important production potentials, etc.).

Consolidation of the organization of the branches

Following the example of the already implemented organization of the branch (Maroc Citrus), it seems elemental to strengthen the role of the trade organization, mainly in its duty of supervision, orientation and organization of producers, technology transfer, as well as the improvement of the involvement of professional stakeholders in the development of the whole branch within the framework of an integrated and concerted vision.

⁶ Source: "Logistics of the Moroccan branch of fresh tomatoes exports: economic and environmental challenges"; Alert notes of CIHEAM, N°80-May 2012

III.2. Branch of olives

For the purpose of reinforcing the market shares of the Moroccan olive, it seems appropriate to, mainly, lessen the quantitative and qualitative irregularity by introducing new reliable varieties (such as the variety of MENARA, planted within the framework of Pillar II of the MGP) and improving techniques of olives trituration and of olive oil packaging for a better boosting of this product at the international level as an important part of these exports is done in bulk.

In addition, one of the major challenges for the development of exports of this branch is the necessity of adapting the quality of the transformed products of vegetable origin to international standards which remains unavoidable for high added value branches following the example of the olive products. Accordingly, in order to establish an image of the national production trademark abroad, it is primordial, following the example of the successful cases in this field in the world, to implement specialized institutes, mainly for olive oil, which will insure, in addition to the management of this branch, the respect of the required quality procedures and standards, mainly, in exports.

Morocco should, accordingly, better consolidate its efforts in order to meet the requirements of exterior markets, mainly, in terms of respecting quality standards, even though the local market is still oriented towards olive oil which is produced by traditional transformation (Maâsra). Likewise, in a competitive environment, national olives branch is confronted to challenges which require the adoption of modern and reliable production systems and the implementation of a strong and efficient organization of the branch.

In addition, there is room to consolidate the role of agrpoles, which allow agricultural and agri-industrial companies to have access to modern tools for farms and of boosting their yields (the case of the olive agropole in Meknes, which strives to popularize and transfer technologies for the benefit of farms and the agri-industrial sector, to implement an information system (technical, economic and financial databases etc.), as well as to promote the Moroccan olive oil and to organize promotional events). Similarly, efforts should be made for a better professional structuring, which allows to unite all the stakeholders of the olive branch around a concerted and prospective vision of development.

In general, all these progress paths deserve to be accompanied by the improvement of the efficiency of the downstream of the value chain of agri-food branches, mainly, at the level of distribution and marketing in the interior level. In this respect, the reform of the wholesale market of fruits and vegetables, which aims mainly, in a logic of public-private partnership, to modernize them (implementation of logistic platforms for collection and packaging of goods, introduction of a regulatory and prescriptive framework to secure the quality and hygiene of foods...) and better organize the different intervening parties, which allows, mainly, to rationalize intermediation, should be accelerated for the sake of better efficiency of the value chain of all the branches.