

3. Fertilizer Situation

The apparent total consumption of fertilizer was 500,000 tonnes, of which approximately 250,000 tonnes was locally produced phosphates. Imports accounted for the balance, composed as follows:

Urea (46-0-0)	48,000 tonnes
Ammonium nitrate (0-33.5-0)	75,000 tonnes
Ammonium sulphate (0-21-0)	63,000 tonnes
Potassium sulphate (0-0-50)	33,000 tonnes
Potassium chloride (0-0-61)	30,000 tonnes

4. Import Mechanism

Office National Interprofessionnel des Cereales et Legumineuses (ONICL) decides upon the quantity and quality of grains to be imported, delivery dates and ports of destination. ONICL issues regular tenders to local licensed importers who in turn are agents for major international grain traders. These importers then submit their offers to ONICL who then authorizes one or more importers to import wheat. Concurrently, ONICL gives importer access to foreign exchange, which is controlled by the Office des Changes. Due to the present financial situation tenders specify origin of imports, reflecting particular financial agreements, e.g. present situation tenders specify USA origin due to PL-480 title I and blended credit programs available.

5. Grain Industry Infrastructure

Imported grains arrive at one of three ports: Casablanca, Safi and Kenitra. The grain is stored in silos at these ports owned by SOSIPO (a state company) for future delivery to the mills. Since there is insufficient storage capacity at the ports some wheat ends up in piles on the dock. There it is picked up by the mills and/or delivered to storage silos in most major towns that are owned by regional branches of SCAM (Société Cooperative Agricole Marolaine). This grain is in turn eventually delivered to the mills. There are plans underway at present to expand grain storage capacity both at ports and the regional level through the various SCAM's. It is estimated that this country loses approximately 15% of its total supply through inadequate storage capacity.

ONICL has plans to construct grain silos at the ports of Nador, Tangier, Agadir, Mohammedia, Laayoun and Dakhla. Current financial constraints will likely delay completion of these projects.

6. Government Policies Affecting Grain and Agriculture

All government policies are aimed at improving Morocco's grain production. The latest measure waives all agricultural taxes until the year 2000 and also exempts all imported agricultural equipment from custom duties. The government also encourages producers by promoting, by all media means, the use of machinery-fertilizer-selected seeds and proper land preparation. These policies, if successful, will over time have a significant impact on grain imports, grain consumption, reserves, and meat production/consumption.