FOOD SECURITY SNAPSHOT

- Above-average cereal crop harvested in 2021
- Wheat imports expected to decrease in 2021/22 owing to ample domestic production
- Economy recovers, food price inflation remains low

Above-average cereal crop harvested in 2021

Harvesting of the 2021 main winter grain crops is about to be concluded under favourable weather conditions. Although cumulative rainfall amounts between September and December 2020 accounted only for two-thirds of the average, precipitations were adequately distributed over time and space to facilitate sowing and early crop development. Favourable rainfall since early January, with some areas receiving up to twice the average amounts, abundantly replenished moisture deficits across the country, with the only exception of some marginal producing regions in the northeast.

Overall, according to official sources, 2021 wheat production is estimated at about 7.2 million tonnes, about 50 percent above the average and almost three times more than the drought-stricken harvest in 2020. Barley output in 2021 is estimated at 2.6 million tonnes, almost four times the amount harvested in the previous year and over 60 percent above the five-year average. At 10 million tonnes, the 2021 cereal production exceeded the five-year average by over 60 percent. The country’s cereal production is highly variable, with local dams providing irrigation for only 15 percent of the agricultural land and rainfed agricultural production accounting for 85 percent of the aggregate output.

The government supports wheat production through the establishment of a reference price for purchasing local wheat, maintained at MAD 2 800/tonne since 2017. Currently, the amount is equivalent to USD 318/tonne, up from USD 280/tonne in the previous season due to strengthening of the national currency. The government also provides a storage premium to farmers that decide to store wheat grain in licensed facilities.

Wheat imports expected to decrease in 2021/21 owing to ample domestic production

The country relies heavily on wheat imports to cover its consumption needs. After two consecutive years of drought, which increased the cereal import requirements in the 2020/21 marketing year (July/June) to 10.5 million tonnes, the 2021/22 marketing year (July/June) is expected to see a considerable reduction in imports, with the cereal deficit expected to narrow to 3.5 million tonnes.
cereal import requirement is forecast at an average level of 8 million tonnes, about 25 percent less than in 2020/21. The European Union and Black Sea countries supply most of the common “soft” wheat, while Canada is the traditional supplier of “durum” wheat.

The country applies tariffs on wheat imports to protect local producers from international competition and revises the duties on a periodic basis depending on the domestic supply and demand situation. Usually import duties are set at the highest levels at harvest time. In May 2021, the government increased common wheat import duties from 0 to 135 percent and durum wheat import duties from 0 to 170 percent.

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

**Economy starts recovering and food price inflation remains low**

The economy contracted 7 percent year on year in 2020, mostly due to the impact of the COVID-19 pandemic containment measures on tourism, transportation services, manufacturing and construction, and reduced agricultural production due to drought. Although the tourism sector remains subdued, the Gross domestic product (GDP) in 2021 is expected to grow by 4.2 percent, supported by the recovery in the agricultural sector and some gradual improvements in manufacturing and service sectors.

The food price inflation in May 2021 (last data available) recorded a 1.5 percent increase on a yearly basis, up from the negative levels between November 2020 and March 2021. In the last five years, food inflation was very contained, ranging from a negative 3 percent to a positive 4 percent. In spite of the country’s high import dependency rate, the impact of the changes in international prices on domestic prices is mitigated by government subsidies.

**Disclaimer:** The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.