

FOR A MORE VALUABLE AND INTEGRATED AGRICULTURE IN MOROCCO

Morocco Integrated Agriculture & Agribusiness Program Final Report

USAID Contract MOBIS IQC No. 608-M-00-05-00043-01

DISCLAIMER

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LEFT: Yamina Hachbay, secretary for the Beni Yâala Zkara Cooperative smiles as she performs a safety check on the modern aromatic and medicinal plants distillation unit. Using modern distillation methods has enabled cooperative members to increase their per kilo revenues five-fold.

IAA PROGRAM / HASSAN NABLAOUI

FRONT COVER: A young woman takes a break from picking strawberries. IAA provided training on good production and good hygiene practices to over 650 berry workers and regional extension agents. Over 89% of the participants trained were women.

IAA PROGRAM / ZINEB TAHMEHMACHT

INSIDE FRONT COVER: The Saiss region is home to Morocco's most fertile lands and the economy is based largely on agriculture.

IAA PROGRAM / ELIZABETH ELLIS

BACK COVER: A herder watches over his flock in the Oriental region.

IAA PROGRAM / MOHAMED BENMALEK

STRATEGIC OBJECTIVE II: MOROCCAN ECONOMY SUCCESSFULLY RESPONDING TO NEW OPPORTUNITIES AND CHALLENGES OF FREE TRADE

INTERMEDIATE RESULT II.1:

Increased Productivity in Agriculture and Agribusiness

MOROCCO AGRICULTURE AND AGRIBUSINESS PROGRAM OBJECTIVES:

Strengthened Ability of Agriculture and Agribusiness to Compete in the Global Marketplace

SUB-OBJECTIVES:

- Jobs created in agricultural sector
 - Incomes increased for farmers, workers, and entrepreneurs
 - Increased rural economic resilience
-

RESULTS MODULE 1

Improved public policies and institutions in support of more competitive agriculture and agribusiness

RESULTS MODULE 2

Increased productivity and variety in agriculture and livestock production

RESULTS MODULE 3

Improved competitiveness of agro-processing industries

RESULTS MODULE 4

Enhanced capacity of agribusinesses, firms and institutions to support competitive value chains

COORDINATION WITH RELATED USAID, U.S. GOVERNMENT, AND OTHER DONOR ACTIVITIES

The objective of the Morocco Integrated Agriculture and Agribusiness Program is to foster value chain integration and improve the competitiveness of Moroccan agriculture and agribusiness with the objective of increasing sales and responding to opportunities in a more open trade environment.

EXECUTIVE SUMMARY

Moroccan food products are of exceptional quality, as any visitor to Morocco can attest. The country is blessed with a wide variety of landscapes, soils and ecosystems; resulting in a great diversity of agricultural products and a significant livestock sector. There is also a developed food processing industry that transforms agricultural goods into products such as canned fruits and vegetables, olive oil, couscous, and yogurts.

However, Morocco is not fully taking advantage of this tremendous bounty. Far too often, Moroccan agricultural products are exported in bulk to Europe, where most of the value is added; Moroccan farmers and processors fail to take advantage of specific opportunities and market windows due to a lack of market intelligence; a great number of products unique to Morocco or with specific characteristics are not used to their full potential; and institutional and logistical constraints inhibit the full development of the agricultural sector.

While there is this unfulfilled potential, the opening of world markets and the lowering of tariff barriers through free trade agreements provide significant opportunities for Moroccan food products. At the same time, the rapid urbanization and growth of the middle class in Morocco are translated into a proliferation of supermarkets and significant changes in food distribution networks. The advent of modern consumerism means an increased need for agricultural products to comply with standards of food safety, hygiene, quality and traceability.

Against this backdrop, and to respond to opportunities offered by the U.S – Morocco free trade agreement signed in 2004, USAID Morocco initiated the Integrated Agriculture and Agribusiness Program (IAA). This program, implemented between February 2005 and September 2009 had the goal of improving Moroccan competitiveness in target agricultural value chains in order to add value and jobs in specific regions, and to capitalize on new market opportunities.

The IAA challenge was to support farmers and food processors in evolving from a “production logic” where they *sell what they can produce* to a “market logic” where they *produce what they can sell*. To meet this challenge, the IAA team worked in three regions (Oriental, Saiss, and Gharb-Loukkos) and five value chains (lamb meat, aromatic and medicinal plants, olives, capers, and berries). The IAA Program also supported institutional development and policy reforms to improve the enabling environment for more competitive Moroccan agriculture and agribusiness.

In April 2008, the Ministry of Agriculture unveiled a new strategy for agricultural development in Morocco named *Plan Maroc Vert* (PMV). This strategic plan adopted many of the tenets of the IAA Program: a decentralized, value chain approach; a focus on markets – both domestic and international; the need to capitalize on unique regional products (*produits du terroir*); streamlining the conveyance of food from producer to consumer through organized intermediary structures (*agregateurs*); and defining strategies to add value all along the chains. Many of the tools, methodologies, results, and lessons learned from the IAA Program will serve the implementation of the *Plan Maroc Vert*. In addition, IAA supported the Ministry of Agriculture in developing new procedures to help the reform of the institutions that will carry out this new strategic vision.

IMPROVING THE COMPETITIVENESS OF AGRICULTURAL VALUE CHAINS

The catalyzing principle of the program’s interventions was the use of a value chain approach focused on end markets. Another guiding principle of IAA was value chain integration with forward and backward linkages made between farmers and processors; and between processors and markets, through efficient distribution channels.

In the *lamb meat value chain*, the IAA Program successfully introduced transformational changes such as the early weaning of lambs and improved animal feed that allowed sheep farmers to substantially improve their income, while reducing the pressure on scarce rangeland resources. The program also facilitated direct sales between the sheep farmers of the Oriental and the Marjane supermarket chain for the yearly *Aid El Kebir* (feast of sacrifice). This direct linkage between producers and markets has transformed the value chain as farmers now understand the benefits of operating through direct sales contracts. Another major achievement of the IAA Program has been the rehabilitation of the Oujda slaughterhouse (the major meat processing facility in the region) that will guarantee the production of meat that adheres to international standards of hygiene and food safety. Finally, the best practices introduced in the lamb meat value chain in the Oriental region have been successfully

replicated in the Rhamna region of south central Morocco.

In the *aromatic and medicinal plants value chain*, the IAA Program was able to demonstrate a model of value chain integration with the implementation of an aromatic and medicinal plants (AMP) processing unit Jerada. The Beni Yâala Zkara cooperative, which manages the plant, has evolved from being a traditional, inefficient, and unprofitable producer of AMP products to a modern and integrated actor in the value chain. Their profits per liter have increased five-fold from 200 dirhams per liter to 1000 dirhams per liter. And their products now adhere to strict international standards including organic certification.

In the *olive value chain*, the IAA Program has worked with many actors in the Saiss region, from cooperatives to modern producers of olive oil, to improve their competitiveness and foster lasting market linkages. Cooperatives of small producers are now reaching markets directly and understand how to make quality olive oil; Moroccan high quality olive oils from the Saiss region are now on supermarket shelves in the United States; two training sites have been set up in farm institutes to teach agricultural workers best practices for the production of olives; a women-owned table olive facility in Oujda is now certified to international standards and thus better able to export; and a series of technical guides and reports will help ensure that best practices in the production,

processing, and marketing of olive products are used to maximize the impact of significant investments, such as the Millennium Challenge Corporation's (MCC), in the olive value chain.

In the *capers value chain*, small farmers have been introduced to sustainable harvesting practices, and are now able to sort their capers by size to increase their market value. Caper cooperatives have also increased their profits five-fold from 2.5 dirhams per kilo for raw, untreated capers to 14 dirhams per kilo for treated and sorted capers. They have also joined together under a common marketing label to better meet volumes demanded by large processing units linked to international markets.

In the *berries value chain*, the IAA Program introduced American varieties of blueberries, raspberries and blackberries to Morocco; encouraged new investments in the berries sector; trained the workforce in the Gharb and Loukkos regions on best production practices for berries; assisted small farmers with certification; initiated a public-private partnership for research; and provided valuable market information to producers and investors.

The constant thread in all these activities was the improvement in value chain competitiveness, based on specific conditions and opportunities, and using participatory approaches that included partner institutions and beneficiaries.

KEY RESULTS

■ **Sales : \$56.1 million**

■ **Investments : \$22.6 million**

For every dollar spent by USAID on the Morocco IAA Program, \$5.66 was generated in direct sales and investments.



USAID / KARIMA RHANEM

US Ambassador Thomas Riley, along with USAID Mission Director Monica Stein-Olson, admires a Beni Guil sheep which has been sold as part of the IAA Program's successful Aid El Kebir marketing campaigns. For the first time cooperatives and herders are selling their animals through direct sales contracts with Marjane—Morocco's leading supermarket.

FOSTERING A BETTER ENABLING ENVIRONMENT FOR AGRICULTURE AND AGRIBUSINESS

However, working on value chains alone is not sufficient. The competitiveness of Morocco's agriculture and agribusiness also depends on an improved institutional and policy enabling environment. In the course of its implementation, IAA undertook a variety of activities aimed at improving the capacity of institutions to facilitate a more competitive agricultural sector:

The IAA Program helped develop a *market intelligence* system for the food export control agency (EACCE). This web based system

provides valuable price, demand, and regulatory information on major agricultural commodities of interest to Morocco in key target international markets.

We have also worked to improve the *capacity* of the Ministry of Agriculture for *meaningful policy analysis* through training sessions on cost-benefit analysis and representative farm modeling.

The IAA Program provided significant support for the implementation of the *Plan Maroc Vert* (PMV) by conducting a detailed analysis of the processes managed by the Ministry of Agriculture and preparing a new *manual of*

procedures for the Ministry in line with its reorganization and with the strategic orientations of the PMV. The program also conducted detailed *value chain analyses* using USAID's methodology that were shared with the Ministry.

In 2007, a major daily in Morocco characterized the *Ministry of Agriculture's web site* as "out of order". The IAA Program worked on designing and developing a new web site for the Ministry that is able to clearly communicate all the Ministry's activities.

The IAA Program conducted a detailed analysis on the *access to rural finance* for small farmers. This study, done in conjunction with the Credit Agricole du Maroc, the leading agricultural lender in the country, was used to facilitate the implementation of the newly created Company for the Financing of Agricultural Development (SFDA) tasked with providing financing to small and medium-sized farmers.

Through its subcontractor, Making Cents, the IAA Program provided training on basic *business and management skills to agricultural cooperatives* in target value chains. To multiply impact and ensure sustainability, the program also trained trainers from partner institutions at the local level.

The issue of *logistics and transportation* for the berries value chain was addressed through a detailed study of the key technical and institutional constraints at the Port of Tangiers, and practical recommendations for

improving Morocco's logistics and transportation, which are key issues in competitiveness.

Water is a critical issue for Moroccan agriculture, which is highly sensitive to drought. Unfortunately, drought is becoming a chronic element in Morocco's weather conditions. The IAA Program worked with experts from the United States Drought Mitigation Center at the University of Nebraska to provide a road map for *revitalizing a drought observatory* in Morocco that can be proactive in drought management. IAA also prepared a methodological guide on how to improve the *valorization of water* in irrigated perimeters.

Thus, the IAA Program addressed the most critical policy and institutional issues facing the agricultural sector: rural finance, water, logistics and transportation, market intelligence, policy analysis, institutional procedures, and the capacity building of cooperatives. Taken together, these activities complemented the work done in target value chains to create the conditions for success and sustainability.

This report tells the story of the IAA Program, through the description of its activities, but more importantly through the voices of beneficiaries and institutional partners. Beyond the numbers and results are the stories of lives changed, incomes raised, communities empowered, farmers trained, deals concluded, and strides made towards fulfilling Morocco's promise.



The future of Moroccan agriculture rests heavily on the ability of young farmers to compete in the global market. USAID's IAA Program has actively included rural youth in its technical trainings on improved production, processing, and marketing techniques. By involving youth, USAID is working to increase skills, improve livelihoods, and cultivate a new generation of farmers able to respond to international demands.

CHAPTER ONE

MOROCCO'S PROMISE

The promise of Morocco begins with its geographic variety, making it a rarity in the Middle East and North Africa region. From the four mountain ranges that cross the country, to its plateaus and plains, the country is resource-rich, especially in its highly diverse agriculture sector. With nearly 53,000 square miles of arable land, agriculture accounts for 80% of rural employment¹. Morocco has been an agricultural country for millennia, with early appearances of some of the first known edible grains – such as wheat and bitter vetch – being traced to the country.

And the country's riches are enhanced by its proximity to Europe and its range of climate zones. The World Bank (2001, Policy Research paper) broadly divides the country's cereal production—the mainstay of Moroccan agriculture to date—into six agro-climatic zones according to their cereal “production potential”. The zones are *favorable*, *intermediaire*, *difavorable sud*, *defavorable orientale*, *montagneuse*, and *saharienne*. These agro-climatic zones reflect topography and, most importantly, rainfall, which decreases from north to south and from west to east.

As a destination for trade and travelers, Morocco's history of hospitality and openness runs deep. The country was part of an historic route from sub-Saharan Africa to Europe, which was used by caravans of gold and salt traders from at least the Middle Ages. And now under the United States-Morocco Free Trade Agreement, Morocco exports to the US totaled \$812 million in the first 11 months of 2008, up 42% compared to the same period in 2007, according to the US-Morocco FTA web site. Roughly 18% of Morocco's export earnings are attributed to agricultural products.²

Morocco is making significant progress on several fronts and a number of ambitious development plans have been launched in the tourism, industrial, social, and agricultural sectors. The *Plan Maroc Vert* provides a strategic framework under which the promise of Moroccan agriculture can make a substantial leap forward, both in modern intensive farming and small scale agriculture.

1. USAID Contract #608-M-00-05-00043-01, Statement of Work, pg 7)

2. USAID Contract #608-M-00-05-00043-01, Statement of Work, pg 3)

CHAPTER TWO

HELPING FULFILL MOROCCO'S PROMISE: THE IAA PROGRAM

As part of its efforts to advance the agricultural sector and improve farmer incomes, the Ministry of Agriculture and Maritime Fishery (MAMF) partnered with USAID to design the Integrated Agriculture and Agribusiness (IAA) Program. Working hand in hand with Moroccan partners at the national and local level, USAID's IAA Program provided technical assistance to foster value chain integration and improve the competitiveness of Moroccan agriculture and agribusiness with the objective of increasing sales and responding to opportunities brought about by a more open trade environment. Other objectives included job creation in agricultural areas, increased incomes for farmers, agricultural workers and agriculture-related businesses, and a reduced vulnerability of the country's agricultural economy. These goals were especially urgent as Morocco seeks to capitalize on recent free-trade agreements, and as the agricultural sector faces increasing competition from international markets.

The strategic vision underlying the successes of the IAA Program is USAID's value chain approach. At its core, this approach promotes systemic competitiveness that results in increased economic growth that benefits small enterprises and reduces poverty. The approach seeks to integrate small and medium enterprises into globalized international, national and local markets by linking large numbers of small enterprises into selected value chains which have a potential for growth.³

Through a series of meetings with IAA partners at the regional and national level, five value chains in three regions of Morocco were selected as the focus of the IAA Program: lamb meat and aromatic and medicinal plants (AMP) in the Oriental region; olives and capers in the Saiss region; and berries in the Gharb-Loukkos region. The overall theme of IAA's technical assistance was helping farmers and agribusiness move from a production logic (sell what you can produce) to a market logic (produce what you can sell.)

3. USAID's value chain training material, accessed at: www.microlinks.org/valuechaingateway

USAID'S VALUE CHAIN APPROACH

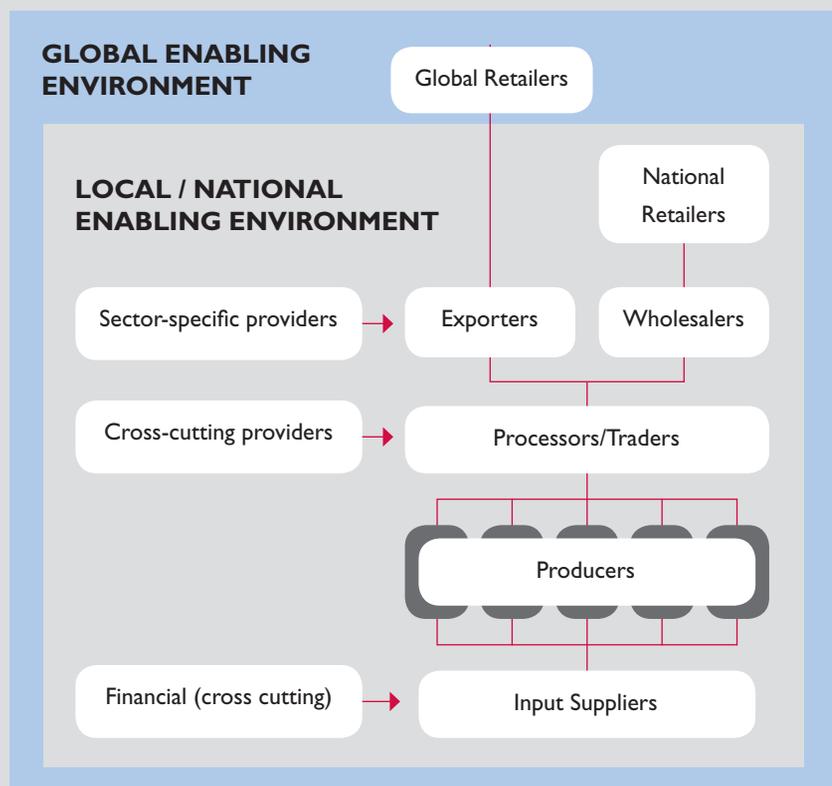
USAID's value chain approach provides a clear methodology for driving economic growth while reducing poverty. The primary objectives of this approach are:

- improve the competitiveness of value chains with large numbers of small enterprises,
- improve the contribution of small firms in the value chain.
- ensure that small and medium enterprises benefit from the value chain.

So, what is a « filière » or value chain? A value chain comprises everything that is needed to take a product from its beginning to the final consumer or end market. A value chain is affected by the global and national business enabling environments and is comprised of input suppliers, producers, processors, wholesalers, exporters as well as national and global retailers. In addition the value chains are affected by cross-cutting functions such as financial services and sector-specific services.

“USAID’s value chain approach is used to drive economic growth with poverty reduction through the integration of large numbers of micro- and small enterprises (MSEs) into increasingly competitive value chains.”⁴

USAID'S VALUE CHAIN FRAMEWORK



4. Key Elements of the Value Chain Approach, from USAID microLINKS wiki, July 2009



IAA PROGRAM / ZINEB JAMHAR MACHT

Sheep from an IAA-assisted cooperative graze on pastoral rangelands. The IAA Program is working with nearly four thousand herders in the Oriental region on improved production methods.

CHAPTER THREE

TRANSFORMING VALUE CHAINS

Each of the IAA Program's five value chains – lamb meat, olives, capers, aromatic and medicinal plants, and berries - was at a different state of development when USAID launched the IAA Program in 2005. IAA's assistance in upgrading and transforming these value chains centered around the following sub-objectives of the IAA Program :

- Increased productivity and variety in agriculture and livestock production
- Improved competitiveness of agro-processing industries
- Enhanced capacity of agribusinesses, firms, and institutions to support competitive value chains

Though all have shown successes, each chain has shown particular progress in various parts of its' respective chain.





Talia Reggadi, a member of the Tahadi Cooperative encourages her herd to move to a recently installed communal feed lot. IAA is disseminating its early weaning and quick fattening approach to cooperatives throughout the Oriental region.

ORIENTAL REGION

LAMB MEAT AND AROMATIC AND MEDICINAL PLANTS



Situated on the northeastern border with Algeria, Morocco's vast Oriental region includes semi-arid and arid rain-fed areas. The Oriental is recognized as one of Morocco's poorest regions and is characterized by high rural unemployment rates. Despite these challenges, the region is dominated by livestock production and is rich in spontaneous aromatic and medicinal plants. The IAA Program selected the lamb meat and aromatic and medicinal plants value chains with the goal of helping herders and wild-crafters to increase their incomes while helping to preserve the natural resources of the region.

LAMB MEAT

BARRIERS TO IMPROVING INCOMES. An early analysis of Morocco's lamb meat value chain revealed a disorganized chain in which herders depended too heavily on stressed rangelands, made limited use of animal feed and rarely sought veterinary care as part of a healthy lifestyle for their flock. Herders also relied almost exclusively on traditional markets for sales where animals are sold based on appearance and not by weight or meat quality. As such, herders experienced little differentiation between their products in terms of quality and price as compared to their neighbors.

TRANSFORMING THE VALUE CHAIN/RAISING INCOMES. In response to the barriers listed above, the IAA Program identified concrete approaches to transform the lamb meat value chain with the ultimate goal of raising incomes and changing lives. Working with its regional partners within the Ministry of Agriculture and Maritime Fishery (MAMF), in 2005, the IAA Program identified one cooperative and two farmers who were interested in reaching new markets and were willing to try new production methods.



USAID / KARIMA R. HANEM

A herder from the Oriental region shows off a newly-sold sheep as part of the 2007 Aid El Kebir Operation at the Marjane in Mohammedia. Herders sold their sheep for 44 dirhams per kilo compared to 38 dirhams per kilo in the local markets—an increase of nearly 9%.

SUCCESS STORY

Sheep of the Oriental Conquer Supermarkets

USAID/Morocco, through its Integrated Agriculture and Agribusiness (IAA) Program, is helping sheep herders in the Oriental region of Morocco to increase their revenues through direct sales to supermarkets. For the past four years, the IAA Program has worked closely with herder cooperatives to secure direct sales contracts with Marjane, Morocco's leading supermarket chain for the Islamic holiday of Aid El Kebir. Twelve cooperatives and eight branches of Marjane are signing direct sales contracts with leading supermarket chains throughout Morocco for the Islamic holiday of Aid El Kebir. In 2008, The IAA Program also worked with herders in the Rhamna region on direct sales. In 2009, thirteen cooperatives, three groups of farmers, and twelve supermarket branches have signed direct sales contracts for the fourth Aid El Kebir operation.

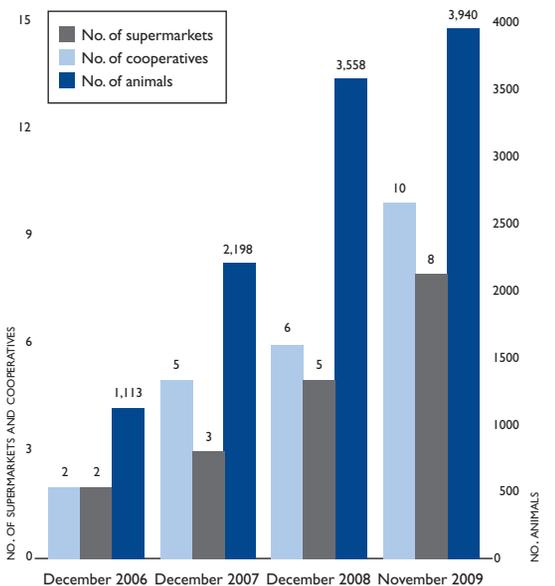
IAA's assistance to these cooperatives is focused on improving cooperative members' lives by increasing the value-added margin to their products and linking the producers to markets. With secured sales contracts, the cooperatives will increase their sales revenues and will be able to contribute to the economic development of their local and regional communities. To date, cooperatives have sold \$1.6 million in sheep for the 2006, 2007, and 2008 Aid El Kebir operations. This number is expected to rise to nearly \$2.9 million with the anticipated 2009 sales. The success and expansion of the Aid El Kebir operation is a concrete result of USAID's assistance to the development of the lamb-meat value chain in Morocco.

“New production techniques such as birth spreading and collective fattening enable cooperatives to meet market requirements while increasing herder incomes and reducing degradation of pastoral resources”.

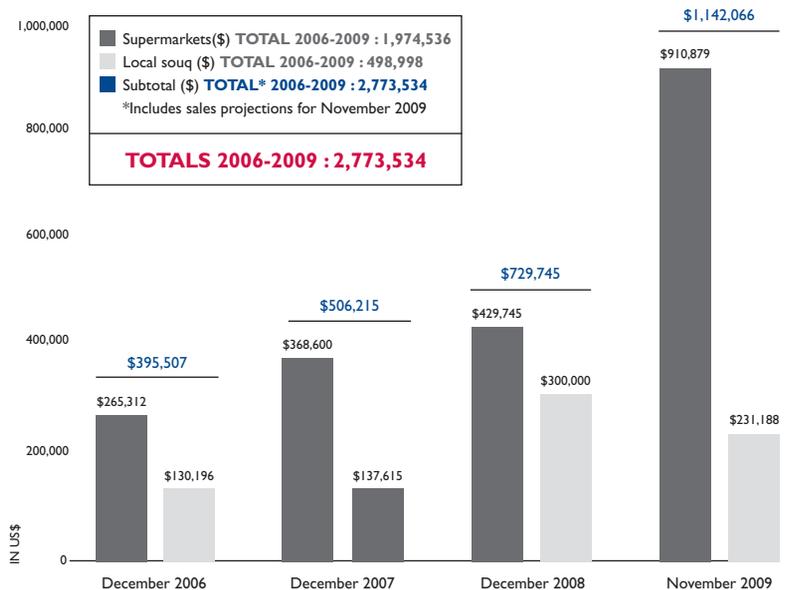
The IAA Program introduced a number of innovative production methods such as early weaning, quick fattening through a nutritionally balanced animal feed, and use of veterinary medicine to promote good health and hygiene in the herd. The program worked with regional partners to establish collective feedlots in Ain Beni Mathar and Tendirara for use in collective fattening trials, and rehabilitated the Ain Beni Mathar unit, now in use by multiple cooperatives. Early adopters of these production methods quickly realized a 60% increase in daily weight gain in their herd, over a 200% reduction in grazing time from six months to a year down to two to three months. This reduction resulted in substantial savings on production costs. In addition IAA’s herd maintenance assistance between the time an animal weans to being sold at market resulted in a 90% reduction in herd mortality.

Once herders mastered the new production methods and were able to ensure high quality, healthy animals, the IAA Program worked closely with the herders to introduce them into modern markets through one-time sales contracts with Morocco’s supermarket giants Marjane and Metro. The premise of the sales contracts was to promote the lamb as unique, high quality regional products (produits du terroir) to sophisticated urban shoppers for the Islamic holiday of Aid El Kebir. An interesting dynamic of the lamb meat value chain in Morocco is that 50% of all sheep are sold in conjunction with Aid El Kebir each year while the remaining 50% are sold throughout the year. These direct sales contracts enabled herders to increase their incomes through the direct sale of high quality sheep to customers on a per kilo basis rather than per head.

PARTICIPATION IN AID EL KEBIR OPERATION



AID EL KEBIR OPERATION SALES





IAA PROGRAM / MOHAMED BENMALEK

Freshly slaughtered carcasses hang in the newly renovated cold chamber at the Oujda slaughterhouse. USAID invested nearly \$ 500,000 to upgrade management practices and install state of the art cold chambers.

PARTNERING FOR PROGRESS: THE OUJDA SLAUGHTERHOUSE

The Oujda slaughterhouse is the main facility for the slaughtering of animals in Oujda and the surrounding areas. At the time of its conception and installation in the 1950s, the slaughterhouse was a state of the art facility. Since that time, population growth in the region, coupled with increased meat consumption and a lack of investment has led to a gradual decline of the facility and stressed the facility's ability to meet production volumes during peak seasons such as summer when many festivities take place and Moroccan living abroad return home.

Since the IAA Program works in the lamb meat value chain in the Oriental region, USAID saw this as an opportunity to work downstream of the value chain in the critical component of transforming live animals into quality meat that meets the strictest sanitary and hygiene conditions. In 2006, USAID conducted a feasibility study for rehabilitating the slaughterhouse to allow for the eventual privatization of the slaughterhouse. USAID entered into a collective agreement with the Wilaya of Oujda, the Urban Commune of Oujda, and the Ministry of Agriculture to rehabilitate the slaughterhouse and prepare it for eventual privatization. The rapid diagnostic of the slaughterhouse conducted by IAA revealed deficiencies in basic hygiene standards, lack of traceability systems, poor management systems, insufficient transportation systems, and failure to conform to international production and sanitation standards. Under the collective agreement, the Wilaya of Oujda and the Urban Commune of Oujda contributed \$937,000 for the upgrade of the physical infrastructure of the slaughterhouse; the rebuilding of the stockyards; the repair and upgrade of the electrical circuits; the upgrading of the wastewater conveyance system; the purchase of improved slaughterhouse equipment; and

the improvement of roads and green spaces around the slaughterhouse. USAID, through the IAA Program, contributed nearly \$500,000 through the following actions:

- the slaughterhouse upgrade feasibility study;
- the preparation of the technical drawings for the rehabilitation of the electric network;
- the rehabilitation of the cold meat storage rooms;
- the purchase of compressors and cold air generators (including installation);
- training slaughterhouse staff on efficient and hygienic slaughtering techniques;
- designing equipment specifications for efficient slaughtering; and
- the preparation of a slaughterhouse technical management guide and extensive training of slaughterhouse employees and management.

As a result of USAID's assistance through the IAA Program, the Oujda slaughterhouse is better able to meet the needs of area residents and the expanding demand resulting from tourism and regional development. The completion of this integrated project provides the city of Oujda and the Oriental region with a modern slaughterhouse that meets the requirements of hygiene and food safety, and that will ensure that high quality red meat is produced in the region. As the Government of Morocco moves to privatize slaughterhouse operations, the Oujda slaughterhouse presents a great opportunity to become a pilot site for the government to begin privatization of regional slaughterhouses. This is especially important given the importance of the red meat value chain for this region under the Plan Maroc Vert, and the major tourism development taking place in the Oriental region.

LEAVING A LASTING

IMPACT. Despite the initial reluctance of Oriental herders to engage in direct sales, word quickly spread to neighboring herders and cooperatives of the new production methods and direct sales successes achieved with USAID support. In fact, news of program successes extended far outside of the Oriental region. At the request of the Governor of Kelaa des Sraghna of the Rhamna region, the IAA Program introduced these proven methods to herders in that region. By the end of the Program, IAA worked directly with more than 20 cooperatives in the Oriental and Rhamna regions, including two women-only cooperatives, and reached more than four thousand rural households.

After four years of USAID assistance in the Oriental region, productions methods have shifted

dramatically with the widespread adoption of early weaning and quick fattening techniques and the exponential increase in animal feed sales. The improved fattening techniques have relieved pressure on grazing lands, helping to ensure sustained grazing resources for area herders. Training on the prevention and treatment of common diseases has reinforced herder and cooperative capacity to care for their herds and preserve wealth, while meeting the market demands for high quality meat. Herder cooperatives are rapidly evolving into dynamic small and medium-sized businesses while the mode of production in the Oriental region has shifted to a market-oriented system, demonstrated by nearly \$2.9 million in sales of lamb meat generated from the Program-assisted Aid El Kebir operation between 2006-2008 and projected sales for 2009.

ANIMAL FEED SALES IN ORIENTAL REGION





Boufalja Bouroba, a member of the Beni Yâala Zkara Cooperative, proudly displays a fresh batch of rosemary essential oil. The cooperative has more than tripled its profits thanks to improved collection, processing, and marketing methods introduced through the IAA Program.

AROMATIC AND MEDICINAL PLANTS

BARRIERS TO IMPROVING INCOMES. Morocco's climate creates perfect conditions for the wild growth of a variety of aromatic and medicinal plants on the country's rangelands and forests. In the Oriental region, despite harsh soils and infrequent rainfall, several species of aromatic and medicinal plants are harvested by rural inhabitants including rosemary, thyme, sage, and artemesia. Several other AMP species – many used as spices or condiments such as coriander, cumin, fennel, and saffron – are cultivated in regions across the country. As in other USAID-assisted value chains, much of Morocco's AMPs were sold as raw materials in bulk, reducing the income potential for collectors. Harvesting techniques put excessive stress on the land and plants, and old equipment and traditional processing techniques impeded product quality. Despite these challenges, government figures have shown a steady increase in Morocco's exports of AMP since 2000, with exports reaching 890 million dirhams by 2005.⁵

TRANSFORMING THE VALUE CHAIN/RAISING INCOMES.

To help the AMP sector become sustainable and competitive, the IAA Program, in partnership with the Water and Forestry Department (*Haut Commissariat aux Eaux et Forêts et à la Lutte Contre la Désertification-HCEFLCD*) trained AMP cooperatives and collectors in the Oriental region on sustainable harvesting techniques, which include cutting no more than 50 percent of a plant, as well as rotating the selected harvesting sites each year and planting additional hectares.

Building on USAID's previous support of the AMP sector through its AP3 Program, and in coordination with HCEFLCD, the IAA Program assisted two cooperatives in obtaining harvesting rights on public lands for 20,000 hectares and 25,000 hectares. In return, the cooperatives harvest no more than one third of the land each year on a rotating basis and replant AMP to avoid over-harvesting. This public-private partnership has succeeded in encouraging the private stewardship of public lands while improving the quality of life in the region by increasing job opportunities for youth, increasing incomes of cooperative members, and adding value and diversification to the products produced by the cooperative. IAA's marketing assistance is highlighted in the success story on the following page.

An important next step in the AMP chain was the installation of a modern AMP distillation unit in Jerada. Combined with its marketing and other capacity building assistance for the cooperatives, the successful installation of the new unit was an important milestone in USAID's partnership with local and regional governments especially Jerrada Province, and in IAA's strategy to organize, professionalize, and support integration of the AMP value chain in the Oriental region. The chart on page 21 compares the distillation methods employed by the cooperative before and after USAID assistance. As a direct result of USAID's assistance both cooperatives have an increased awareness – and real experience in the market - of the added-value retained by cooperatives

5. www.eacce.org.ma



Cooperative president Tayeb Errezougui showcases rosemary products at the first International Agriculture Fair in Morocco.

SUCCESS STORY

Producers Protect and Enhance Medicinal Plants

The Beni Yâala Zkara rosemary cooperative of Jerrada has become a model that the Moroccan government wishes to duplicate in different regions, within its efforts to organize the aromatic and medicinal plants value chain and foster human development in the Moroccan rural areas.

Members of the Beni Yâala Zkara cooperative benefited from USAID's Integrated Agriculture and Agribusiness Program (IAA) financial and technical support through on-going training in production, marketing, administrative, and financial best practices.

Currently, with the support of the IAA Program and its partners, the cooperative contributes to rural development in Jerrada through the creation of 150 to 200 jobs in local communities that collect or process rosemary. The cooperative also preserves natural resources by orienting wild crafters and supporting rosemary parcel cultivation and upgrades.

With the help of the IAA Program, the cooperative purchased premises and modern equipment for rosemary distillation. IAA linked the cooperative to potential buyers at the national and international levels so it could diversify its customers and sell at better prices. Additionally, the cooperative sold 500 kg of certified organic rosemary to Bled Conserve of Taourit (90 km from Oujda) at a 40% premium above the going rate and another 20 tons to Baba Sidi Herbs in Marrakech at 9% above the local price.

“With IAA Program support, jobs have been created and several families’ living conditions improved,” says Tayeb Errezougui, president of the Beni Yâala Zkara rosemary cooperative.

The IAA Program is working with other cooperatives in the AMP sector to better enhance and preserve valuable resources.

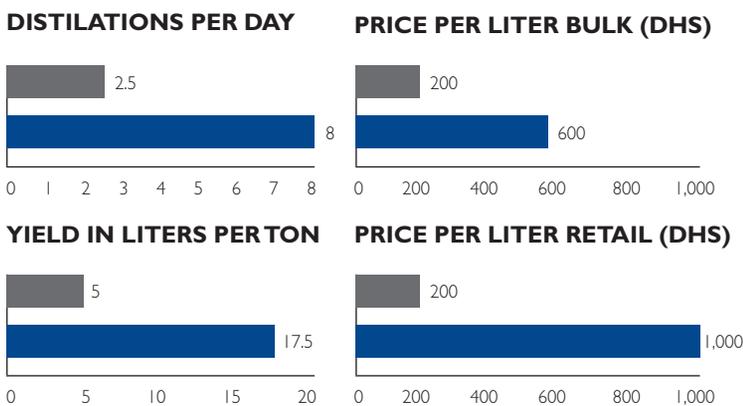
when they transform raw materials into essential oil and dried herbs. The IAA Program also provided training and resources for the cooperatives to become export-certified and receive organic certification.

LEAVING A LASTING

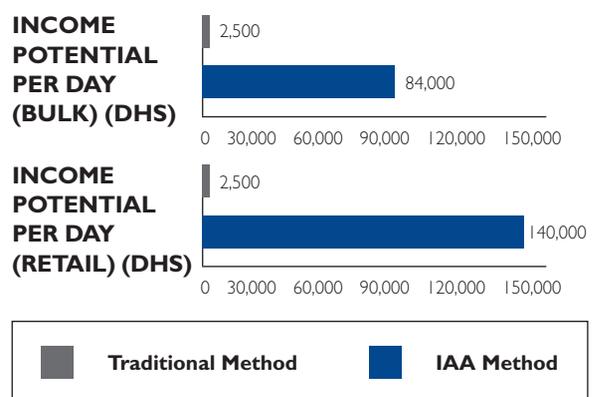
IMPACT. Building in sustainability has been a key factor in USAID’s support for the AMP value chain in Morocco. From raising community awareness of the economic potential of rosemary to reducing poverty and improving livelihoods through the collection and sale of AMP, the IAA Program has sought to unify Moroccan growers, processors and exporters for the benefit of Morocco. After four years of USAID assistance in the region, solid partnerships have formed between the public and private sector for the promotion and preservation of Oriental’s natural resources. Improved production and processing methods are the direct results of the increased adoption

of sustainable harvesting practices and the use of modern distillation methods. The improved collection techniques employed by rural inhabitants have helped to reduce deforestation in the Oriental region and ensure the sustainability of the natural AMP resources found in the Oriental region. The improved processing methods have increased the relative income derived from each kilo of harvested rosemary for the benefit of communities throughout the Oriental region. And USAID will sustain the impact of its work in AMP sector through the National AMP Strategy that has helped to re-focus officials on the economic importance of the AMP value chain. This strategy, developed in close coordination with the Water and Forestry Department (HCEFLCD), lays out a clear roadmap for both the public and private sectors to support the rapid development of the AMP value chain for the benefit of Moroccan citizens and businesses.

TRADITIONAL PROCESSING METHODS VERSUS IAA METHODS



INCOME POTENTIAL



Before receiving assistance from the IAA Program, AMP cooperatives employed traditional processing methods. Whole plants were picked and boiled in open iron pots. The resulting oil was poor in quantity and quality. By improving their collection and processing methods based on training received through the IAA Program, cooperatives were able to substantially increase both the quality and quantity of essential oils produced. These improvements have resulted in increased incomes for cooperatives and have contributed to the economic development of the Oriental region.



An olive farmer proudly compares his robust olives to those of another farmer. By adopting improved production and processing methods, olive farmers have increased their per hectare yields by 10%, improved their oil yields by over 40% and improved the quality of their oils resulting in an additional 10 dirhams per liter.

SAISS REGION OLIVES AND CAPERS



Bordered to the Southwest by the Middle Atlas mountains and to the Northeast by the Rif mountains, the Saiss region is home to Morocco's most fertile lands. The economy of the Saiss region is largely based on agriculture with forty percent of rural families in the region deriving their subsistence from the agriculture sector. Here one finds many types of farming practices including traditional and modern farming systems as well as harvesting of wild-growing plants. The IAA Program selected the olive and capers value chains with the goal of aggregating small-scale producers, helping them improve production and processing methods, and linking them more effectively to markets.

OLIVES

Olives are big business in Morocco and a point of national pride, with olive trees covering approximately 600,000 hectares, or 60% of the country's tree-planted area. Over 800,000 orchards provide income for workers on more than 400,000 plantations throughout Morocco. The Saiss region is one of the most important olive-growing regions in Morocco. It is home to many small traditional pressing units and to the largest olive oil industrialists and producers in the country. About three quarters of the olives produced are pressed for oil while the rest are treated and sold as table olives. Strategically speaking, this region is ideal for promoting

olive expansion, industrial decentralization, developing small and micro-enterprises, creating jobs and fighting poverty.

BARRIERS TO IMPROVING INCOMES. Despite the positive trends in the Saiss region, an early analysis of the olive value chain revealed wide gaps in quality and production capacity, which frequently resulted in unsecured supply for large processing units. Additionally the majority of exported olives and olive oil are shipped in bulk to Europe for processing and marketing, leaving growers with only bulk prices in their pockets and allowing much added-value to escape Morocco.



These Arbequina olives will be transformed into the award-winning Zouina olive oil. This oil has been featured in US tasting panels and is being sold in US stores such as Kroger's, Bigg's, Publix, HEB, Fiesta Market, and Value Market.



IAA PROGRAM / ELIZABETH ELLIS

Ali Rajaa Fi Allah, a member of the Oued Eddahab Cooperative, proudly displays his olives. Oued Eddahab is one of two fully integrated olive pilot projects completed under the IAA Program. Cooperative members have adopted improved production, harvesting, and processing methods and are also providing business services to regional farmers by pressing their olives into oil.

Finally, the value chain analysis revealed poorly organized or dysfunctional farmer associations, lack of diversity in nursery stocks, and outdated production and processing practices.

At the start of the Program, the IAA team undertook a variety of studies to analyze the constraints and opportunities in the olive value chains. Key studies included a comparison of the world's most demanded olive varieties and their yields, a GIS report identifying potential areas for conversion from cereal crops to higher-value olive plantations, and a detailed guide for exporting olive oil to the US market.

TRANSFORMING THE VALUE CHAIN/RAISING INCOMES.

Based on IAA analyses, USAID, in support of Morocco's National Olive Plan which calls for improving olive oil quality and doubling the total olive production area, targeted IAA Program activities to build capacity of farmer associations, link them to processors and markets, and upgrade olive and olive oil production, processing and marketing techniques. At the production and processing levels, IAA developed a series of practical technical guides on best production and processing practices for farmers and



SUCCESS STORY

USAID Assists first locally-produced shipment of Mustapha's Fine Foods of Morocco to the US

USAID/Morocco, through its Integrated Agriculture and Agribusiness Program, assisted in the export shipment of the first locally-produced container of Mustapha's Fine Foods of Morocco, valued at nearly \$115,000. Over the past two years the IAA Program has been providing a wide range of technical assistance to Mustapha's Fine Foods of Morocco to assist in the relocation of its production facility from Seattle to Meknès, Morocco. In addition, the IAA Program has worked closely with Mustapha's Fine Foods of Morocco to identify and establish sales contracts with small-scale producers of high-quality agri-food products including IAA-assisted cooperatives.

After several hurdles, the production plant is fully operational and three containers of Moroccan spices, olives, olive oil, harissa, and argan oil have been successfully loaded and shipped for export to the US valued at nearly \$350,000. Since the plant's opening, Mustapha's Fine Foods of Morocco has become the largest employer in Meknès' newly created industrial zone with a current workforce of 25 employees. Through job creation and sales contracts with small-scale regional producers, Mustapha's Fine Foods of Morocco is making positive contributions to the local economy and the Saiss region as a whole. As a catalyst for growth and development in the region, Mustapha's Fine Foods of Morocco is bringing hope for a better future to small producers in Morocco.

Mustapha Haddouch, owner of Mustapha's Fine Foods of Morocco, displays a jar of harissa produced in his newly-opened processing facility in Meknès, Morocco.

"IAA's help with sourcing products was tremendous and opened a lot of doors for me in terms of finding serious suppliers who have quality products. The bottom line is I am confident that I will stay in business because I can finally achieve what has eluded me for so long" said Mustapha Haddouch.

IAA PROGRAM / ELIZABETH ELLIS

***“I recently attended an olive oil seminar at UC Davis and Zouina was featured by Darrell Corti. I loved the oil and purchased it immediately. It is an amazing bargain! I will encourage others to buy as well.”
Serkan Munsuz, Zouina customer.”***

conducted numerous trainings for regional farmers and extension agents within the Ministry of Agriculture and Maritime Fishery. At the marketing level, the IAA Program provided a wide range of marketing assistance including distribution of a guide on exporting olive oil to the United States, and the “Huiles d'Excellence” initiative to commercialize high quality Moroccan olive oil in the United States. Two of these oils as well as spice mixes are now being sold in Krogers's, Bigg's, Publix, HEB, Fiesta Market, and Value Market in the US. IAA also delivered a wide variety of marketing support to olive cooperatives in preparation for the SIAM-International Agricultural Fair in Morocco, and provided marketing and outreach assistance to the Meknès consortium of private sector olive oil producers, UDOM, (Union pour le Développement de l'Olivier de Meknès), in preparation for the New York Fancy Food Show. And with IAA technical assistance, processed food exporter Mustapha Haddouch of Mustapha's Fine Foods of Morocco, met and signed contracts with local producers in the Saiss region, including olive oil producer Huileries of Sebou (see story at left).

LEAVING A LASTING

IMPACT. Technical assistance and training under the IAA Program has helped to create examples of fully integrated farmer-owned businesses from production to sales. Farmer cooperatives have increased their incomes through higher yields, improved quality, and the sale of business services to regional farmers for processing oil and re-selling the olive waste to industrial firms in the region. Producers understand quality and the market potential for their goods, with some high-quality olive oil producers now reaching the U.S. market. Investment and investment opportunities in the value chain have been improved, with new investments being more tightly focused based on the IAA-initiated processing capacity study. In collaboration with regional partners and the IAA Program, two olive-growing training sites in vocational training institutes in Meknès (ITSHM) and Oujda (Zraib) demonstrate clearly the best production and processing methods introduced by the IAA Program to regional farmers and youth seeking to develop agribusinesses in the olive sector. By the end of the program, IAA worked directly with more than 28 agribusinesses and cooperatives in the region reaching more than four hundred rural households.



Moroccan capers account for roughly 70% of the world's capers and are a source of significant seasonal income to rural collectors in the Saiss region.

CAPERS

On gentle mountain slopes where clay soils dominate, capers have found an ideal environment in which to thrive. Capers, which are often used as a seasoning or garnish, are highly prized for their sharp and tangy flavour. While wild-growing and cultivated capers are found throughout the Mediterranean region, Morocco is the leading producer of capers worldwide, supplying 70% of world demand. Of this, nearly 90% of Morocco's exports originate in the Saiss region.

BARRIERS TO IMPROVING INCOMES. When it comes to capers, small is beautiful - and more profitable - on the world market. Despite Morocco's status as the leading producer of capers worldwide, the vast majority of capers grown in Morocco are sold in bulk to Spain and Italy where they are sorted by size and sold at a high value to final customers. As with olives and other agricultural products in Morocco, losses in added-value in the capers value chain were attributed to bulk sales to international companies, spotty upstream organization, unpredictable production flows, and lack of local processing.

TRANSFORMING THE VALUE CHAIN/RAISING INCOMES. USAID, through the IAA Program, sought to transform the way capers are traded and sold in Morocco by working with partners to improve value chain integration and upgrade product

quality. The Program focused on acquiring sizing equipment for four cooperatives (cooperatives Ben Malek and Azzahra in the Fès region and cooperatives Chabab Zerhoun and Nour in the Meknès region) to demonstrate how to successfully integrate production with processing to retain greater value-added within the cooperative and raise members' incomes. Practical training sessions using fresh and cured capers enabled cooperative members to discover it is easier, more efficient, and less costly to calibrate fresh capers, rather than cured capers. Cooperative members also learned at what ratios it was most profitable to calibrate capers versus selling them in bulk when energy and water costs are taken into consideration.

And by producing treated capers sorted by size, the cooperatives were able to access the high-value caper market through direct contract negotiations with local and international buyers who purchase based on caper size. The IAA Program also provided a range of marketing support for the cooperatives including packaging, labeling and branding which helped them gain valuable retail experience. Cooperatives Nour and Chabab Zerhoun sold retail-packaged capers and caper berries for the first time at the 2008 International Agricultural Fair (SIAM). The success story on the next page focuses on the experience of the Cooperative Nour as a result of IAA Program assistance.



Prospective customers view the caper products offered by Cooperative Nour at the 2008 Meknès agricultural fair (SIAM). Members of Cooperative Nour explain to costumers the health benefits of capers and how to integrate them into their diet.

IAA PROGRAM / ELIZABETH ELLIS

SUCCESS STORY

Increasing collector's income through higher value markets

The Cooperative Nour, located in the heart of Morocco's Saiss region, is not only in the business of selling its capers, but also of teaching other Moroccans about the crop that so many of them collect. While Morocco is the world's largest producer and exporter of capers, many Moroccans have never tasted the pickled bud and certainly have never contemplated its numerous health benefits such as fighting cancer. The Nour Cooperative is a group of about 9 permanent members, but swells to 150 members during harvest time—about half of whom are women. No matter how good their product, all caper collectors in Morocco face a similar battle—a monopoly on the market. “Just one person dictates the price of our capers. It's a difficult selling environment for small-scale collectors,” says Kaddour Nciri, Vice President of the Cooperative Nour.

Despite this monopoly, caper collectors like Nciri remain optimistic, particularly as a result of the technical assistance provided by the USAID-funded Integrated Agriculture and Agribusiness (IAA) Program. Most collectors sell their product in bulk at a daily rate by weight, giving them little incentive to pick the smaller capers. The IAA Program is teaching collectors to pick capers when they are smaller (demand and prices are higher for this size in international markets) and to sort and sell by size instead of bulk weight. In a good year, collectors can sell the smallest size capers for 30 dirhams/kilo, as opposed to 15 dirhams/kilo for the largest size, allowing them to double what they bring home just by selling their product sorted instead of mixed. The IAA Program helped the Cooperative Nour purchase the first caper sizing machine made in Morocco to sort capers more quickly and effectively.

The Meknès Agriculture Fair in April 2008 was the first opportunity for this cooperative to show others their nicely sorted and higher quality product. The group has high hopes for selling its product widely and teaching others about the value of sorting along the way. Cooperative Nour remains hopeful that by sharing information, small-scale caper collection will live on.

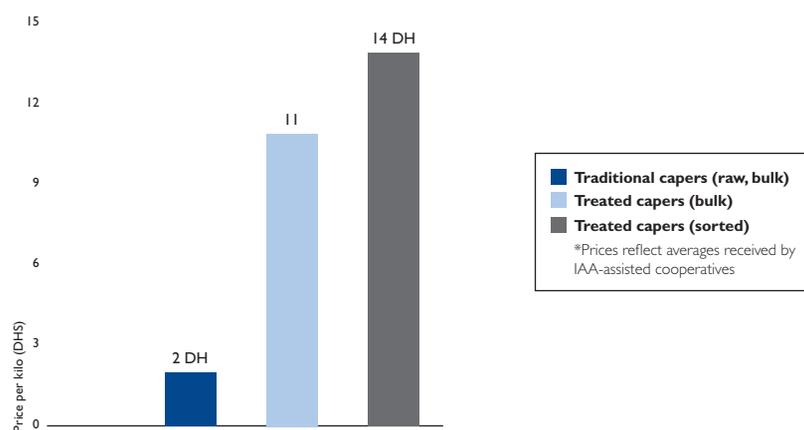
The Program also worked with a local manufacturing company to design and fabricate the sorting machines. The Moroccan International Agricultural Fair (SIAM) provided an opportunity for USAID to display the caper sorting equipment, which was manufactured for the first time in Morocco. Local production of the machines is contributing to the expansion of the domestic caper input supply market while capturing new economic investment in Morocco rather than outsourcing the purchase to European companies.

LEAVING A LASTING IMPACT.

With the new processing methods in place, the cooperatives were able to adopt a standard pricing method for caper production in which capers are sold by size rather than by weight and are treated rather than sold raw. This shift has enabled

Moroccan producers to capture some of the added value that is normally lost to processors in other countries. In fact, sales increase seven-fold per kilogram after the introduction of sizing equipment and treatment methods compared with previous harvests of raw capers. And business training provided through the IAA Program has improved the cooperatives' use of analytical skills to make strategic business decisions concerning when to calibrate capers to maximize their profits and minimize their production costs, when to sell products in bulk, and when to sell stored capers based on rising market prices. By the end of the program, IAA worked directly with seven agribusinesses and cooperatives in the region reaching more than 385 rural households and producing over \$1,696,000 in domestic and international sales.

TRADITIONAL CAPER SALES VERSUS PROCESSED CAPERS





Tupy blackberries were introduced to Morocco by the IAA Program. Blackberries are in high demand in Europe and fetch nearly three times the price per kilo of Moroccan-grown strawberries.

GHARB LOUKKOS REGION BERRIES



Situated on the Northwest coast of Morocco, the Gharb-Loukkos region is the primary producer of Morocco's fresh and frozen strawberry exports. As strawberry production requires significant investment in both land and labor, it is an important contributor to the region's economy.

BERRIES

Fresh and frozen strawberries have been one of Morocco's main export products for several years. Strawberry production and processing employs a large number of people at the production, processing, and marketing stages.

BARRIERS TO IMPROVING INCOMES. While world demand for strawberries continues to increase, berry production in Morocco continues to be dominated by a single variety of strawberry and is facing stiff competition for its frozen product. Other challenges include a lack of traceability and certifications systems among small growers and little mastery of production techniques. But the berry sector also holds substantial market opportunities, including relatively low labor costs, favorable soil and

climatic conditions to support high yields, and close proximity to European markets when prices are highest.

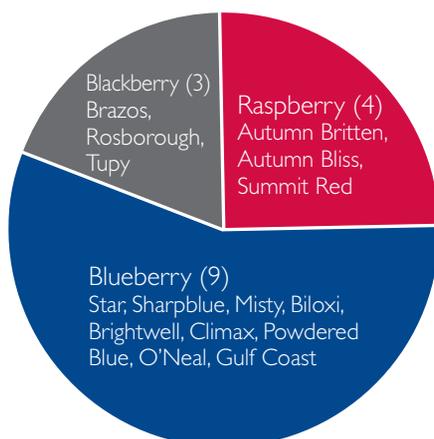
TRANSFORMING THE VALUE CHAIN/RAISING INCOMES. The IAA Program conducted an extensive market analysis for strawberries, blueberries, raspberries, and blackberries. Berry consumption trends show a clear and increasing demand for alternative varieties such as blueberries, raspberries, and blackberries. The IAA Program worked closely with international berry consultants and the Ministry of Agriculture and Maritime Fishery (MAMF) to import several varieties of blueberries, blackberries and raspberries for demonstration trials. The IAA



IAA PROGRAM / ELIZABETH ELLIS

ABOVE: Director Mustapha Ait Chit of Domaine Al Bassatine is the pioneer in Morocco for in-vitro berry multiplication. Thanks to technical trainings provided by world-class berry experts through the IAA Program, Mr. Ait Chit was able to successfully multiply blueberries, raspberries and blackberries imported from the US through the IAA Program.

US BERRY VARIETIES INTRODUCED BY THE IAA PROGRAM



Program identified a few lead farmers and cooperatives willing to participate in demonstration trials for the new varieties. The program provided trainings on production and harvesting to participants. The trials clearly demonstrated the ability of these varieties to flourish in the Moroccan climate. On the marketing side, growers were able to fetch higher prices for the alternative varieties than for strawberries. In addition, the berry marketing study completed by the IAA Program study identified clear marketing windows in

which Morocco has a competitive advantage to supply the European market and indicated probable profits by month.

Today several berry producers are exploring cultivation of these alternative berry varieties, expanding, or planning to expand existing acreage. And large Moroccan producers are seeking strategic partnerships with international firms to better position themselves as producers of alternative berry varieties in the European market. Grower

Avi Weizman, director general of Agro Gales S.A.R.L., said working with the IAA Program “opened his eyes” to blueberries as a viable product in Morocco, and he supports development of a variety unique to the country’s climate.

USAID’S technical trainings through IAA helped a nursery master in-vitro propagation techniques, and sell alternative variety seedlings to interested Moroccan producers.

Development of technical competencies in blueberry, raspberry, and blackberry multiplication techniques for nurseries, professional associations, and agricultural extension agents were also achieved through targeted training. The IAA Program also helped launch a national berry breeding program with public and private support that will enable the development of uniquely Moroccan varieties which will help strengthen Morocco’s position in the international market.

The Program also helped small and medium growers work toward improving their access to credit through the creation of an innovative loan assistance package with Credit Agricole for small-scale berry growers with farms between 3 – 6 hectares. The IAA Program further supported small farms by conducting audits of 35 small farms

for GLOBALGAP certification and were given detailed reports on action needed to obtain certification. Of the 35 action plans, 32 were validated by the Program and by small and medium growers. These audits provide farmers with a road map of the necessary steps to receive GLOBALGAP certification and remain competitive in the berry industry.

LEAVING A LASTING IMPACT.

USAID’s technical assistance under the IAA Program served as the catalyst for the introduction of new berry varieties among growers, primarily in the Gharb-Loukkos region. Moroccan growers are now actively working to diversify their berry production from mostly strawberries to include newer, high-value varieties such as blueberries, blackberries, and raspberries. By the end of the program, IAA worked directly with more than 26 agribusinesses and cooperatives in the region. While sales to date are estimated conservatively at \$244,000, more than \$12 million has been invested in the berry chain by IAA-assisted cooperatives and agribusinesses. These investments stand to generate upwards of \$116 million in revenues over a 30 year period with a yearly average of \$3.8 million.



Reliable price information is vital for all the actors involved in a market. Through the IAA Program USAID provided valuable capacity-building assistance to the Établissement Autonome de Contrôle et de Coordination des Exportations (EACCE) to develop an upgraded website to add an economic intelligence system which permits the identification of competitive export opportunities

for agricultural and agro-industrial products. The system gives the EACCE important information on foreign markets that it can use to identify opportunities for Morocco's growing group of exporters.

"This project has been a revolution for EACCE. The inputs are very important for the export sector and sectors within it. The [equal distribution] of information has

started in Morocco. Now large and small producers will have access to the same information," Mohamed Ziati, head of EACCE's external relations and communication department, said.

With EACCE's new website, Moroccan exporters are better able to anticipate market opportunities, market trends, and identify their competitive advantages.

CHAPTER FOUR

IMPROVING THE ENABLING ENVIRONMENT

Getting the right tools for the trade proved a key to USAID's work to improve the capacity of MAMF and support its decision-making process. As IAA component leader Zineb Tamehmacht put it, "[The point was] to bring people who know the tools to a place where they can use them to help decision makers."

One tool critical to the move to market orientation among Morocco's producers is timely, accurate market data. USAID worked closely with the information technology team at the *Établissement Autonome de Contrôle et de Coordination des Exportations* (EACCE) to develop an upgraded website which includes an economic intelligence system. This system enables exporters to identify competitive opportunities for their agricultural and agro-industrial products. The system also gives the EACCE vital information on foreign markets to provide to decision-makers, and the ability to better communicate opportunities to Morocco's growing group of exporters (see screen shot of updated site at left).

Staff within MAMF requested assistance in conducting targeted policy analysis to support improved resource allocation. The IAA team provided two critical training sessions to MAMF staff on cost-benefit analysis (CBA) which enables them to objectively analyze the financial and economic impacts of resource allocations to various projects (see page 38). The IAA team also provided training on representative farm modeling which enabled MAMF staff to analyze the policy implications of supporting the conversion from one type of crop to another—such as from cereal to olives. Staff now know how to analyze multi-hectare regions by type of crop, resource and labor requirements, and key constraints to show differences in profitability and resource requirements among differing crops. Both CBA and representative farm modeling are key planning tools needed to support MAMF's ambitious *Plan Maroc Vert*. Graduates of these courses were able to apply their new skills immediately in existing projects through budget and comparative crop analyses which led to improved resource allocations.



IAA PROGRAM / ZINEB TAMEH-MACHT

Professor Wally Tyner works closely with two professionals from the Ministry of Agriculture and Maritime Fishery during a USAID—sponsored training on cost-benefit analysis.

CASE STUDY

Improved allocation of budget resources

CHALLENGE

The Ministry of Agriculture and Maritime Fishery (MAMF) is responsible for conducting numerous project evaluations. However, staff members have varying proficiency levels and could benefit from shared analysis methods. Cost-Benefit Analysis (CBA) enables users to evaluate a project's economic advantages and therefore is a very useful tool for decision-making at the national level with regard to allocation of scarce resources. CBA allows for profitability analysis of investments and offers a clearer vision of the gains and losses resulting from proposed policy changes.

Because of its utility, MAMF requested training for its staff on cost-benefit analysis and project evaluation in order to improve the level of analysis for future policy decisions made within the Ministry of Agriculture and Maritime Fishery.

INITIATIVE

The United States Agency for International Development (USAID) through its Integrated Agriculture and Agribusiness program, completed two two-week training sessions on cost-benefit analysis for regional and national ministry staff charged with decision-making responsibilities. These trainings fall within the greater framework of technical assistance provided by USAID to the Moroccan government to improve public policies and institutions in support of more competitive agriculture and agribusiness.

RESULTS

This training enabled ministry staff to enhance their analytical skills and improve their ability to conduct quality evaluations on international projects. The trainings had the added benefit of bringing together central and regional level ministry staff for a common purpose. As a result of this training a group of 34 staff members—divided equally between central and regional offices—have been trained on this important tool and share common methods for project analysis. The CBA tool was characterized as “precious” by a high-level Ministry official and feedback indicates that participants are already incorporating the knowledge they gained into their daily activities.



PILLARS OF PLAN MAROC VERT

PILLAR 1: Modernizing to meet the needs of large-scale producers.

PILLAR 2: Applying a “social agriculture” approach for sector development through crop diversification, intensification, and conversion to higher-value crops for small and medium producers.

As a result of these trainings, IAA improved the capacity of MAMF staff to conduct *meaningful policy analysis* which seeks to improve resource allocation and maximize project impact.

MAMF's *Plan Maroc Vert (PMV)* calls for the massive reorganization of the Ministry to support PMV goals. New departments are being created while others are merging with existing departments. Increased decision-making authority is being devolved to the regions and more attention is being given to the creation of regional development plans. At the same time, MAMF staff have recognized that procedures within MAMF no longer reflect the new organizational structure and are often repetitive across multiple MAMF departments. At the Minister's request, the IAA Program conducted a detailed analysis of all the processes managed by MAMF. This analysis was a critical first step to supporting MAMF's reorganization. The second task undertaken in support of PMV by the IAA team was the creation of a comprehensive manual of procedures which recognizes the MAMF's reorganization in support of PMV goals. This manual will serve as a guide for MAMF as it completes its reorganization and continues to strive to meet the goals outlined in *Plan Maroc Vert*. The IAA Program also shared the detailed value chain analyses completed by the program with staff from the PMV.

In support of PMV's “social agriculture approach”, the IAA Program through its subcontractor, Making Cents, provided intensive

training on basic business and management skills to agricultural cooperatives in target value chains. Cooperatives received hands-on training including practical business simulations which enabled them to identify organizational and financial goals for their business and to develop realistic business and marketing plans to meet those goals. To multiply impact and ensure sustainability, the IAA Program simultaneously conducted trainings of trainers with partner institutions from the three target regions. These trainers will serve as resources at the local level for others.

The IAA Program also completed a study on “produits du terroir” or regional speciality products in support of PMV's social agriculture approach. The study defined the framework for identifying produits du terroir. Through the study, IAA identified 39 potential agricultural and agro-forestry produits du terroir in four regions of Morocco: Meknès-Tafilalet, Fès-Saïss, Loukkos, and Oriental. The study shows that the valorization of these produits du terroir could contribute to the social agriculture approach advanced under PMV by increasing incomes in rural areas with large numbers of farmers.

Another significant contribution made in the policy arena is the detailed analysis on *access to rural finance* conducted by the IAA Program. Working collaboratively with the Credit Agricole du Maroc, the IAA Program analyzed the role of both formal and informal finance used by small and medium farmers as well as their financing needs. The results of this analysis are being used in the implementation



A field in the Gharb-Loukkos region is newly-sown with US blueberry plants. Through multiple trainings and the dissemination of hands-on production guides, the IAA Program is building the capacity of Moroccan growers to produce and export highly demanded blueberries, raspberries and blackberries to Europe during windows in which Morocco has competitive advantage.

of the newly created Company for the Financing of Agricultural Development (SFDA) which is tasked by the MAMF with providing financing to small and medium-sized farmers. The analysis also included recommendations for SFDA derived from best international practices in rural and agricultural finance.

Under the berry value chain, the IAA Program addressed three enabling environment issues: 1) assisting MAMF to submit an application to USDA to export berries to the US 2) addressing taxation of imported blueberry plants and 3) a logistics and transportation study of the berry value chain. The US requires all countries to apply for clearance of their fresh products through the US Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) which can be an extremely long process. With IAA's assistance, MAMF was able to submit an application to APHIS for the export of Moroccan-grown blueberries and raspberries. As Morocco seeks to become a world leader in blueberry production, reducing taxation on imported plants will be a key step to encouraging investment in this value chain. Early investors in blueberries quickly realized that because blueberry plants take more than two years to bear fruit, they do not meet current MAMF guidelines to benefit from reduced taxation under admission temporaire (2.5%) like raspberries and blackberries and are subjected instead to a much higher taxation rate of 17.5%. The IAA Program brought the issue to MAMF's attention. The ministry

is now looking into lowering this tax to help support the nascent blueberry value chain. The issue of *logistics and transportation* for the berries value chain was addressed through a detailed study of the key technical and institutional constraints at the Port of Tangiers, and practical recommendations for improving Morocco's logistics and transportation, which are key issues in competitiveness.

Water is a critical issue for Moroccan agriculture, which is highly sensitive to drought. Unfortunately, drought is becoming a chronic element in Morocco's weather conditions. The IAA Program worked with experts from the United States Drought Mitigation Center at the University of Nebraska to provide a road map for *revitalizing a drought observatory* in Morocco as well as a methodological guide on proactive drought mitigation and management. In the Oriental region, IAA developed a methodological guide for public officials on how to improve the *valorization of water* in irrigated perimeters to yield the greatest benefit from this precious commodity.

Thus, the IAA Program addressed the most critical policy and institutional issues facing the agricultural sector: rural finance, water, logistics and transportation, market intelligence, policy analysis, institutional procedures, and the capacity building of cooperatives. Taken together, these activities complemented the work done in specific value chains to create the conditions for success and sustainability.



Fatna Al Gorari, President of the Tahadi Cooperative, weighs a newly-born ewe. Members of the Tahadi Cooperative are increasing their incomes through the adoption of the early weaning and quick fattening methods disseminated by USAID's IAA Program in the Oriental region.

CHAPTER FIVE

CROSSCUTTING INITIATIVES

GENDER INTEGRATION

The IAA Program has sought, throughout the life of the program to engage women and men at all levels of targeted value chains and capacity building assistance provided to institutional partners within the Ministry of Agriculture and Maritime Fishery.

In the berry and capers value chains where the majority of the workforce is female with little formal training, the IAA Program provided a series of targeted on-the-job training sessions on good production, processing, and hygiene practices. These trainings provided practical, hands-on learning which enhanced workers' skills at both the production and processing levels in the value chain.

In the olive value chain, the IAA Program sought out and provided support to women-owned export businesses in this male-dominated field. The IAA Program collaborated with Madame Benkirane to successfully launch and market her smooth, high-quality olive oil Terroirs du Saiss in the US market under the label Kirana. In the Oriental region, the

IAA Program provided a wide range of assistance to Madame Senhaji of Triffa Conserves to improve processing techniques and establish a laboratory within the company for food safety analyses. With IAA support, Triffa Conserves completed all of the requirements to receive the international HACCP certification.

At the cooperative-level, the IAA Program has partnered with women-led cooperatives in the Oriental region in the aromatic and medicinal plants value chain as well as the traditionally male-dominated lamb meat value chain. Cooperative Ofoq, which specializes in dried rosemary leaves and essential oils, benefited from extensive practical training sessions on good harvesting practices and processing practices. They also received a series of trainings on business planning and marketing strategies to focus their business and improve sales. Cooperatives Ikhlass and Tahadi, both lamb meat cooperatives, benefitted from IAA assistance on new production and management practices such as early weaning, quick fattening, and animal



IAA PROGRAM / ELIZABETH ELLIS

Mohamed El Marzouki, President of the Widad Cooperative, promotes his olive oil with a buyer at the Meknès agricultural fair (SIAM). The IAA Program helped several cooperatives establish business linkages at, and prepare for, SIAM, providing business services such as brand development and registration, purchase of bottles and branded labeling, bi-lingual marketing materials, and technical assistance from American food export specialists on site during the event. For two olive cooperatives, Widad and Oued Eddahab, participation in the 2008 SIAM marked the first time the cooperatives achieved retail – rather than bulk - sales of their products in the domestic market.

health improvement techniques which are proven methods to increase revenues and improve overall herd management. The IAA Program has also worked with these cooperatives to link them directly to markets for the 2009 Aid El Kebir operation programmed for November of 2009. Like other cooperatives in the Oriental and Rhamna regions, these two cooperatives will sell their animals directly to Marjane

customers and be paid on a per kilo basis rather than per head basis as in the past.

Through these targeted interventions and others taken through the life of the program, IAA has helped to increase women's skills, incomes, and equitable participation in the development of competitive value chains throughout Morocco.

COMMUNICATIONS

Communicating development results has been a key component of USAID's IAA Program.

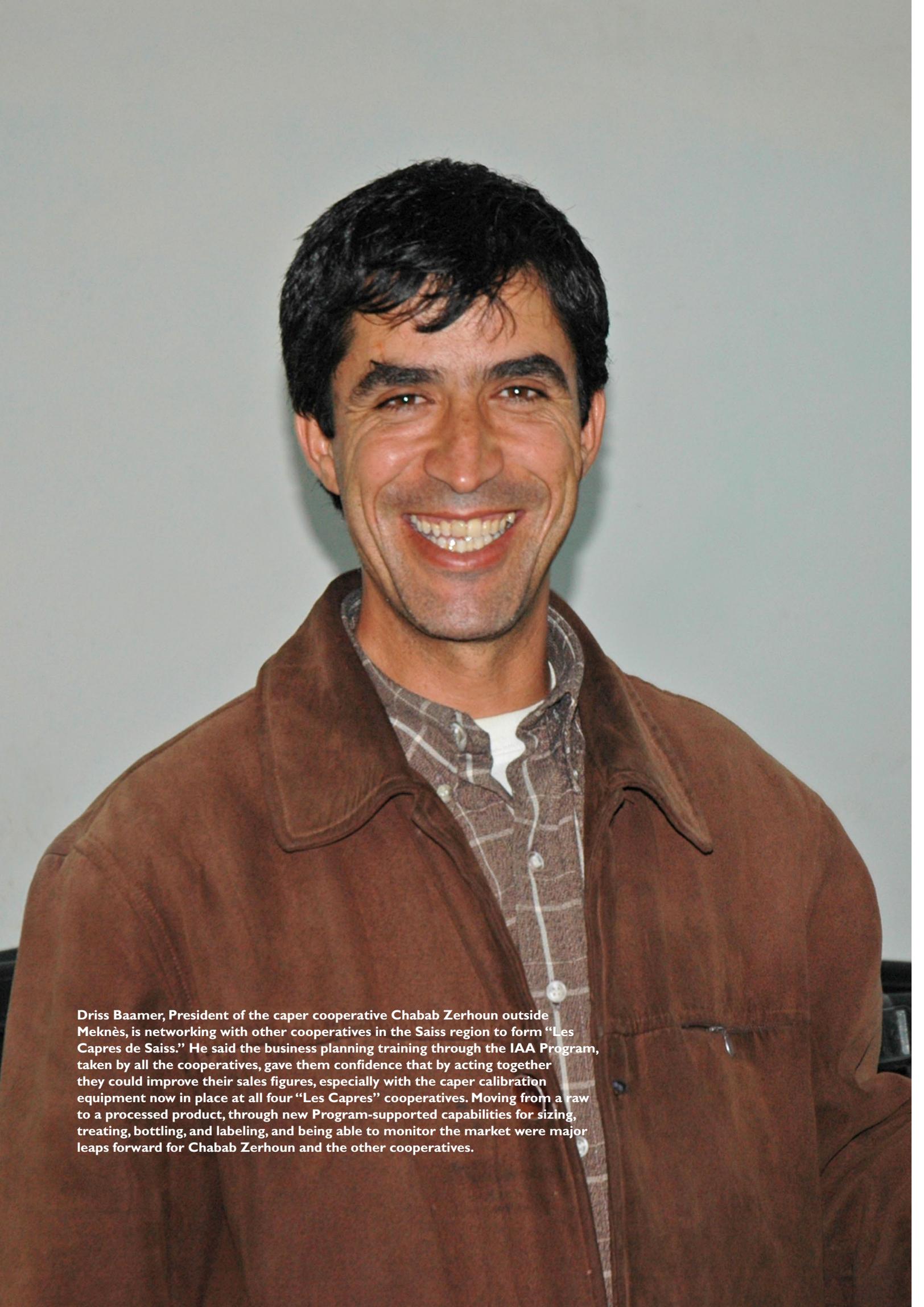
Throughout the life of the IAA Program multiple communication tools have been used to raise awareness of USAID's assistance from the American people to Morocco. The primary communication tools utilized by the IAA Program include: technical newsletters, press coverage of events and accomplishments, IAA Program website, success stories, highlights, conferences, program brochures and program films which highlight beneficiary testimonies and focus on program impacts at the farmer and community level.

The IAA Program has also worked closely with program beneficiaries including cooperatives, professional associations, as well as the Ministry of Agriculture to improve communication tools and outreach. At the cooperative-level, IAA provided a wide range of marketing assistance including the development of brands, logos, and business brochures to improve marketing and sales across the olive, capers, lamb meat, and AMP value chains.

At the professional association-level, the IAA Program supported the development of a revised FICOPAM website and provided the English translation for the website. FICOPAM, is an industry-level association supporting and promoting canned agricultural products in Morocco. Revisions to the website have made it more useful for member organizations

as well as potential investors in Morocco's canned food industry. The IAA Program also provided marketing and trade show assistance to UDOM, the Union for Olive Oil Development in the Meknès region. UDOM provides a federated structure for olive and olive oil producers in the Meknès region to advocate for regulatory changes and work cooperatively to improve their respective businesses. IAA's marketing and trade show assistance helped to promote Moroccan olive oils in the US and included the introduction of two UDOM members' olive oil in the US gourmet market.

At the ministry-level the IAA Program fully re-designed the content and structure for the Ministry of Agriculture and Maritime Fishery (www.agriculture.gov.ma) itself as well as the quasi-governmental export control agency, EACCE (www.eacce.org.ma). Through both of these websites, the IAA Program has helped to raise the awareness of the Ministry and EACCE's beneficiaries concerning the numerous activities undertaken by both entities. The Program also helped both entities to highlight and expand demand-driven content from their beneficiaries. With both organizations the IAA Program built the institutional capacity of program staff to develop content, update the website, upgrade their content management systems, and provide general maintenance to the website.



Driss Baamer, President of the caper cooperative Chabab Zerhoun outside Meknès, is networking with other cooperatives in the Saiss region to form “Les Capres de Saiss.” He said the business planning training through the IAA Program, taken by all the cooperatives, gave them confidence that by acting together they could improve their sales figures, especially with the caper calibration equipment now in place at all four “Les Capres” cooperatives. Moving from a raw to a processed product, through new Program-supported capabilities for sizing, treating, bottling, and labeling, and being able to monitor the market were major leaps forward for Chabab Zerhoun and the other cooperatives.

CHAPTER SIX

IAA'S LEGACY

LESSONS LEARNED/ SUSTAINABILITY

A program as vast and diverse as IAA has also learned valuable lessons that can be very useful to the Moroccan government as it implements the *Plan Maroc Vert*, and to donors and investors in agricultural projects in Morocco as they seek to expand the opportunities for a more valuable and integrated agricultural sector. In this section, we present the key lessons learned during the implementation of IAA.

HUMAN CAPITAL

Use Moroccan talent. One of the key assets of Morocco as it develops its agricultural sector is the wealth of highly qualified Moroccans. The IAA Program has made full use of this talent pool, with the overwhelming majority of consultants on the project being Moroccan. The Moroccan government and other donors should take full advantage of Moroccan expertise and should look inside the country first for agricultural experts.

Identify lead farmers or firms and demonstrate impacts before scaling up.

Change in agriculture is difficult. Farmers and businesses are often reluctant to modify time tested habits. It is important to invest time in gaining the trust of farmers and business owners before trying to affect change in agricultural practices. In order to affect real change, it is important to start with a small group of farmers or enterprising businesses willing to try new solutions, under minimized risk conditions, before scaling up. By starting a dialogue early in the program with stakeholders, sharing information with them on a regular basis, and developing personal relationships, the IAA Program was able to convince some farmer groups to try new practices. This is what the IAA Program did with the Aid El Kebir operation for sheep farmers. In the first year of this program, only a small group of farmers were willing to alter time-honored production methods and enter into a direct sales contract with large supermarket chains. Many were suspicious about getting



Recueil de plantes

Coopérative
Talsint

IAA PROGRAM / ELIZABETH ELLIS

ABOVE: President of Ofoq Cooperative in Talsint, Saadia Boutoulout, happily shows off her group's stand at the Meknès Agriculture Fair in April 2008.

SUCCESS STORY

New methods inspire hope for AMP cooperative

Sometimes a smile says it all, which was certainly the case for Saadia Boutoulout, president of an aromatic and medicinal plant cooperative in Talsint, Morocco. With impressive sales and a fine stand at the Meknès Agricultural Fair in April 2008, Boutoulout had more than one reason to be happy.

The Ofoq Cooperative in Talsint is a group of 37 members who – at one time – made a living by collecting plants from the wild and selling them in bulk. “Everyone was doing it alone,” remarked Boutoulout. In 2007, the group was approached by the USAID-funded Integrated Agriculture and Agribusiness (IAA) Program to upgrade their harvesting and processing techniques in order to improve the quality of their products and increase revenues. The project taught members how to harvest plants sustainably, improve their distillation methods through the introduction of modern equipment, and to expand their product lines to include both retail and bulk packaging for dried herbs and essential oil.

With the upgrade in production techniques, the community spirit started to change as well. “We now have goals together,” added Boutoulout. The group perceived their day to day work, as well as their transactions, in a more business-like manner. Household income levels of cooperative members have increased as well. With more money coming back into the community, an education system was established to ensure that children go to school.

The cooperative's presence at the Meknès Agriculture Fair in April 2008 is a perfect example of the tremendous progress the group has made. With the help of the IAA Program, the design and labels on all of the products were attracting even the most discerning of buyers. At the fair alone, the cooperative sold nearly \$700 worth of product.

“Before we started working with the IAA Program, everyone at the cooperative worked for themselves. Now we work together as a team with one common goal,” said Saadia Boutoulout, president of the Ofoq Cooperative in Talsint.

The cooperative looks forward to receiving more technical assistance and training from the IAA Program. “We are thinking more strategically now, although we still have a long way to go,” remarked Boutoulout.

paid and the transparency of the operation. And only one poultry company was willing to manufacture the recommended balanced sheep feed for the fattening trials. Once the first operation succeeded and farmers and feed suppliers were able to forecast their economic gains, many farmers and feed suppliers who had been reluctant to participate in the Aid El Kebir operation asked to be included the following year. It is clear that the time invested to gain the trust of farmers and business owners is a key element for success.

Aggregate farmers. Small farmers face a variety of challenges in improving their competitiveness, from lack of access to credit, to lack of market information, to the use of poor production practices. It is clear that the aggregation of smallholders and their linkage with larger structures are key to improving their opportunities. The IAA Program worked successfully to aggregate farmers in the capers and lamb meat value chains. By pooling resources together, small farmers can meet buyer volumes, improve contractual terms with processors, and have access to lower cost technologies and inputs through economies of scale.

Work with women-owned businesses. Women play a key role in agriculture and agribusiness in Morocco. However, they tend to be underrepresented in positions of leadership. Nonetheless, there is an increasing number of women-owned businesses in agriculture and food processing. The IAA Program has

worked successfully with women-owned businesses in the olive and aromatic and medicinal plants value chains. Without exception, these leaders have shown a seriousness and commitment to excellence that is very encouraging. We highly recommend that future projects and initiatives target women-owned businesses for technical assistance.

Identify opportunities to work with entrepreneurs with solid business plans. There are many entrepreneurs in Morocco that already have strong business ideas, but need assistance with access to finance, sourcing from serious producers, developing market linkages, finding suitable equipment or seed providers, marketing, logistics, or other constraints facing a business. Technical assistance programs are in a good position to assist these entrepreneurs. The IAA Program helped the company Mustapha's Fine Foods of Morocco secure multiple loans with the Crédit Agricole, set up a processing facility in Meknès, and source high-quality products such as olive oil and capers dependably. As a result of this partnership, Mustapha's is now able to meet US demands for Moroccan food products more quickly and more reliably.

Identify those who are ready for change. One of the key lessons of IAA is that success can come quickly if the potential beneficiaries are ready for change. In the olive oil value chain in the Saiss region, the IAA Program first targeted cooperatives in the Commune of Ain Jemâa. However,

these cooperatives were fraught with internal conflicts and were only asking for equipment with no commitment to change. When the IAA Program encountered the Oued Eddahab cooperative, we found a real partner, with engaged leadership and a vision for change. The implementation of the pilot project with the Oued Eddahab cooperative was very successful because the group was ready to embrace new ideas and to invest their own resources and effort.

Use local technology whenever possible. One of the keys to maximizing opportunities along agricultural value chains is to use local technology in production, storage, processing, and distribution. The capers sorting equipment, the distiller for aromatic and medicinal plants, and the locally-produced animal feed for sheep are all examples of the use of local technologies that enhance the added value in target value chains. In addition to the acquired technological know-how, locally produced technologies are more sustainable and cost-competitive.

MARKETS AND MARKETING

Know the market before investing. Too often producers and processors of agricultural products make sizeable investments before having full knowledge of their market opportunities, the requirements of potential markets, or their ability to respond to market opportunities. The analysis of the processing capacity for olive oil in the Meknès region revealed that

processors had invested significantly in new olive oil processing machinery and equipment, but ended up with significant unused capacity (70%) due to a lack of raw materials, or significant stocks of unsold olive oil due to a lack of market. It is imperative for producers and processors to conduct detailed market analysis and realistic business plans before investing in new production, or purchasing new equipment.

Do your homework on target markets and be patient. Even though there is now a free trade agreement between Morocco and the United States, and tariffs have been eliminated on most agricultural goods, introducing new products into the American market is very difficult. Exporters need to understand the requirements of entry into the US market including packaging and labeling requirements, USDA regulations, FDA regulations and other regulatory requirements. In addition, it is important to link with a well known and reputable distributor in the category of food products desired and to know which market segment to target (e.g., high end, ethnic, regional). The IAA Program worked with a well known olive oil distributor to introduce high quality Moroccan olive oils in the US market through the “Huiles d’Excellence” initiative and assisted olive oil producers from the Meknès region make marketing contacts at the Fancy Food Show in New York in 2008. The IAA Program also worked with Talier Trading Group to bring a series of Moroccan agri-food products and high quality olive oils to US consumers as part

of an African Foods set in Kroger's, Biggs, Publix, HEB, Fiesta Market, and Value Market. While the oils and agri-food products were successfully introduced, it takes time to make inroads in the highly competitive US market. Moroccan exporters have to understand that the US market is large and complex. There are many competitors and established brands. They cannot expect overnight success. A good strategy is to send a first product shipment on consignment and to be ready to be paid once the inventory is sold. Thus, companies have to be willing to invest in marketing and product promotion before realizing significant sales.

Members of professional associations need to adopt common marketing strategies. Moroccan professional associations targeting the US market need to pool their resources and adopt common marketing strategies. The IAA Program assisted members of UDOM (Union pour le Développement de l'Olivier de Meknès) with business linkages for olive oil at the Fancy Food Show in New York in July 2008. It was clear from that experience that many Moroccan producers with small volumes, cannot all hope to compete successfully in the US market. A more judicious strategy would be to pool their resources with a common marketing strategy for regional olives oils and to identify a few well known distributors or private labels willing to carry their products under one brand. This strategy has the added advantage of reducing costs for bottling and shipping for individual producers.

In the capers value chain, with IAA encouragement, four cooperatives have joined together to form a GIE (groupement d'intérêt économique) and create a common label for domestic and international sales. By federating, these cooperatives are better able to meet the volumes demanded by both markets.

TRAININGS AND TOOLS

Provide thorough training on new technologies. The IAA Program implemented a processing facility for aromatic and medicinal plants in Jerada. The facility includes distillers and a boiler to produce steam in order to extract essential oils. Our initial assessment determined that the Beni Yâala Zkara cooperative preferred to use wood as the source of heat for the boiler. While we provided extensive technical training to cooperative members on the distillation process for the extraction of essential oil, the training did not focus on operational issues such as health and safety. In June 2008, the boiler exploded because too much wood had been used and cooperative members failed to monitor the pressure. Fortunately, no one was hurt in the incident, but this episode underscores the need to provide thorough training on health and safety issues and to have multiple warning systems. A new diesel-fueled boiler has been installed at the Jerada unit. This boiler contains redundant safety features, an alarm system and an automatic shut-off mechanism when the pressure gets too high. In addition, cooperative members have received extensive training on health and safety issues,

a trained mechanic has been hired, and an operations manual is on-site.

Ensure institutional readiness before transferring tools.

There are some tools and methods the IAA Program has attempted to transfer to national institutions that met with some resistance. For example, we transferred the Commodity Price Database (CPD), a powerful tool for domestic market price information developed by USAID in Latin America, to the Ministry of Agriculture's Policy Division (DPAE). We also equipped the regional agricultural office in Casablanca, where Morocco's largest wholesale market is located, with computers and an internet connection so that market price information can be sent to Rabat on a daily basis. While the CPD system is fully operational and the relevant information is sent to the DPAE, the system has not been operationalized because of institutional resistance. Some government officials are reluctant to relinquish their exclusive access to information and find many reasons to impede the open and transparent access to that information.

A similar situation occurred with the work the IAA Program did on revitalizing a drought observatory in Morocco. We provided technical assistance from the National Drought Mitigation Center in the United States to Moroccan institutions to develop a model of institutional partnership for the proactive management of drought. However, we found that some key Moroccan institutions were not ready to cooperate on this

initiative. Our recommendation is that programs need to secure key political support from high ranking officials and test institutional readiness before transferring tools to Government institutions.

DISSEMINATION

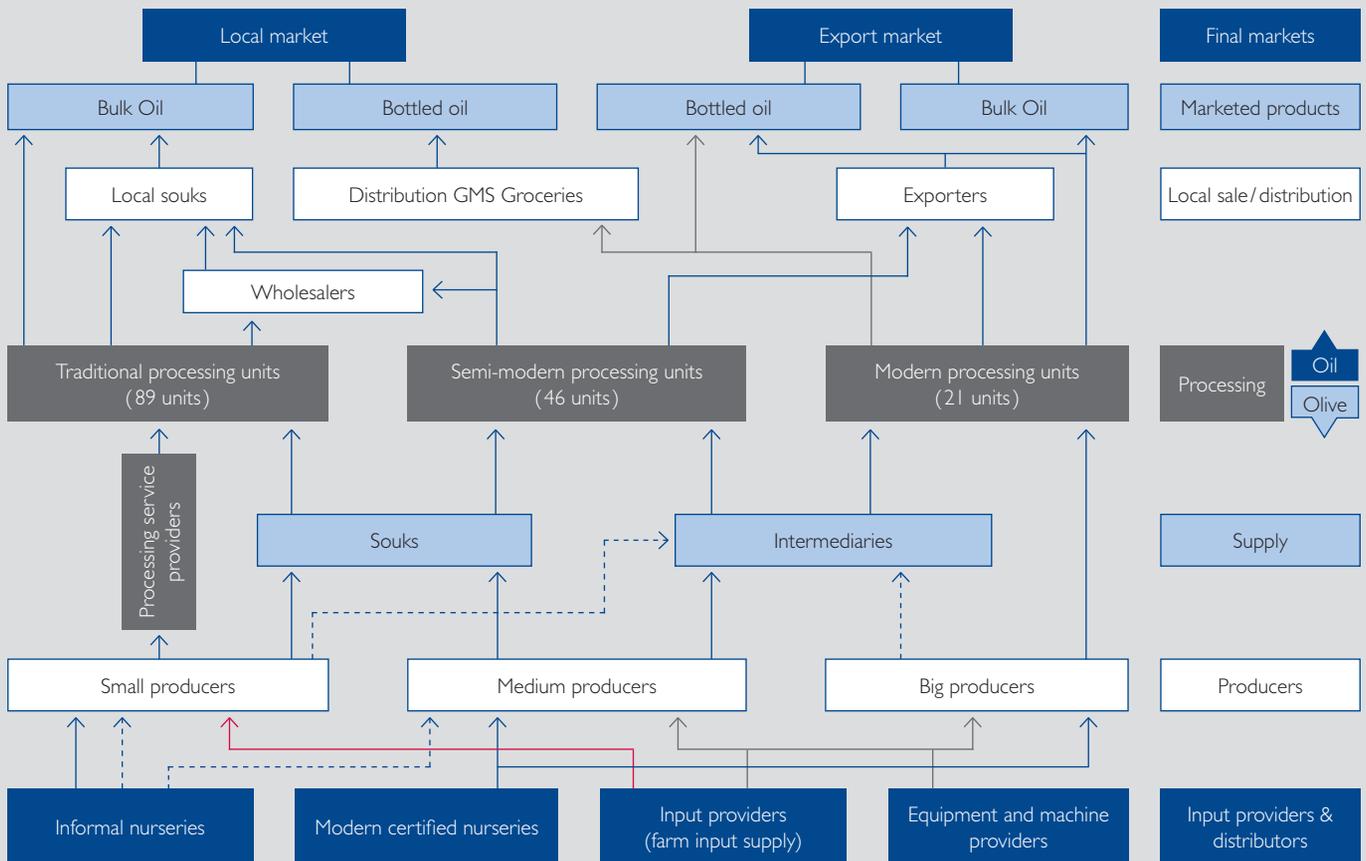
Establish a visual record throughout the project.

The IAA Program started filming and taking photos from the beginning. It is very important to have a visual record of activities, especially in agriculture. By filming the constraints at the beginning of the program, the actions during implementation, the results on the ground, and the impacts on people's lives, the program has a clear story to tell. This then becomes an important tool for dissemination and for raising the awareness of decision-makers. We encourage other projects to start filming and taking pictures of field activities from the start.

Develop practical tools for dissemination.

The tools, approaches, and methodologies used during a project are often forgotten once results are forthcoming. However, to maximize impact of a project and to foster dissemination, it is important to develop practical dissemination tools in the form of guides, fact sheets, and training materials. The IAA Program produced a series of methodological guides and value chain analyses that will be very valuable for institutional partners and donors long after the close of the IAA Program as they support new agricultural development projects.

OLIVE VALUE CHAIN ANALYSIS (SAISS)



Value chain maps, such as the olive map featured above, are helping staff within the Ministry of Agriculture (MAMF) to better understand the complex relationships throughout the value chain. By adopting the value chain methodology, MAMF staff are supporting the Minister's vision for the *Plan Maroc Vert*.

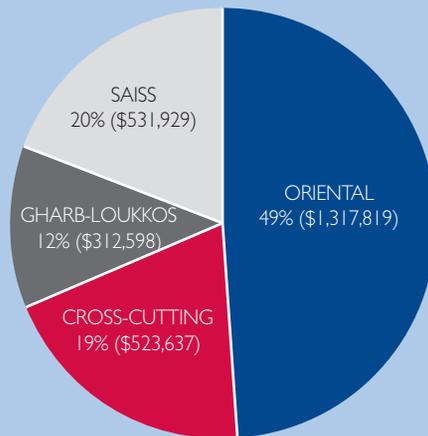
Apply the value chain analysis methodology.

The value chain analysis methodology developed by USAID is a powerful tool to analyze the constraints and opportunities for meaningful change in target value chains. The value chain analyses conducted by the IAA Program have been key to providing a cohesive framework for program activities, engaging institutional partners, and identifying specific opportunities for adding value throughout the value chains. For example, the direct market linkage established between lamb meat producers and supermarkets resulted in

value being added at both ends of the value chain. The adoption of the value chain approach as a key element of the new Moroccan agricultural strategy, *Plan Maroc Vert*, confirms the judiciousness of applying the value chain analysis methodology to guide agricultural development programs. Although the value chain analyses have been one of the cornerstones of the IAA Program, the full analyses were conducted in Year 3 of the program. It is preferable to conduct detailed value chain analyses at the beginning of a program, as soon as target value chains are identified.

IAA KEY RESULTS

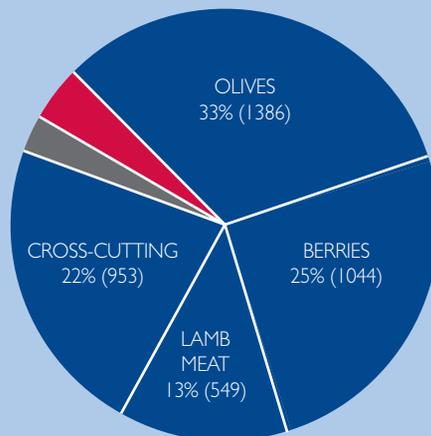
GOVERNMENT OF MOROCCO (GOM) PARTNER CONTRIBUTIONS BY REGION



TOTAL GOM CONTRIBUTION :
\$2,685,983

A hallmark of IAA's success has been close collaboration with regional and central partners, including leveraging funds to support program objectives.

BENEFICIARIES TRAINED BY IAA PROGRAM AREA

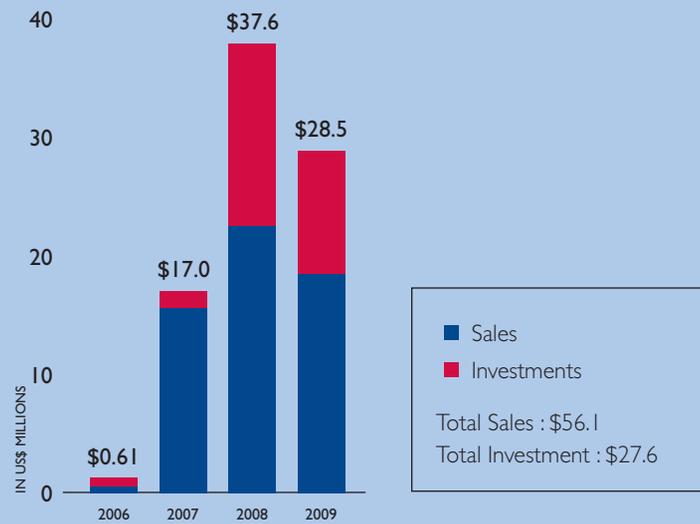


TOTAL PEOPLE TRAINED :
4,236

- AMP : 4% (176)
- CAPERS : 3% (128)

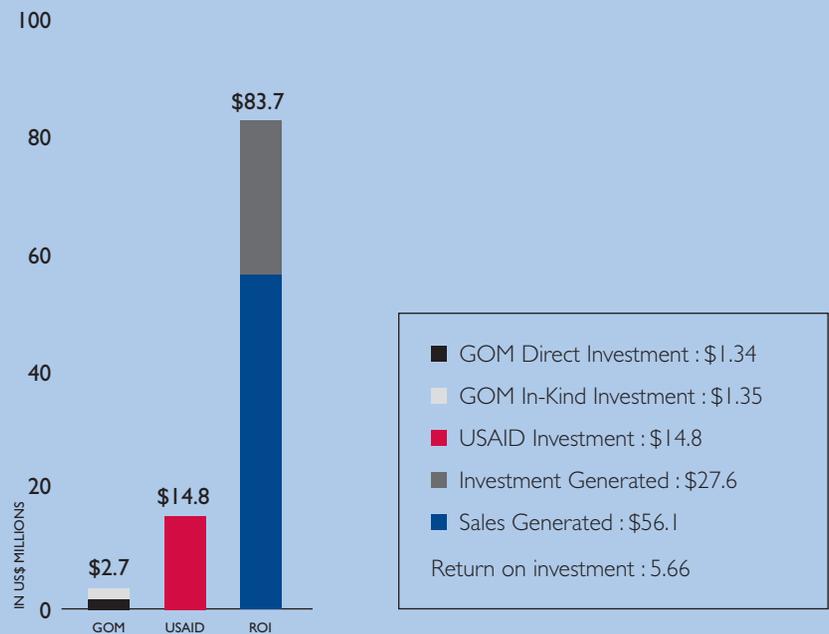
IAA KEY RESULTS

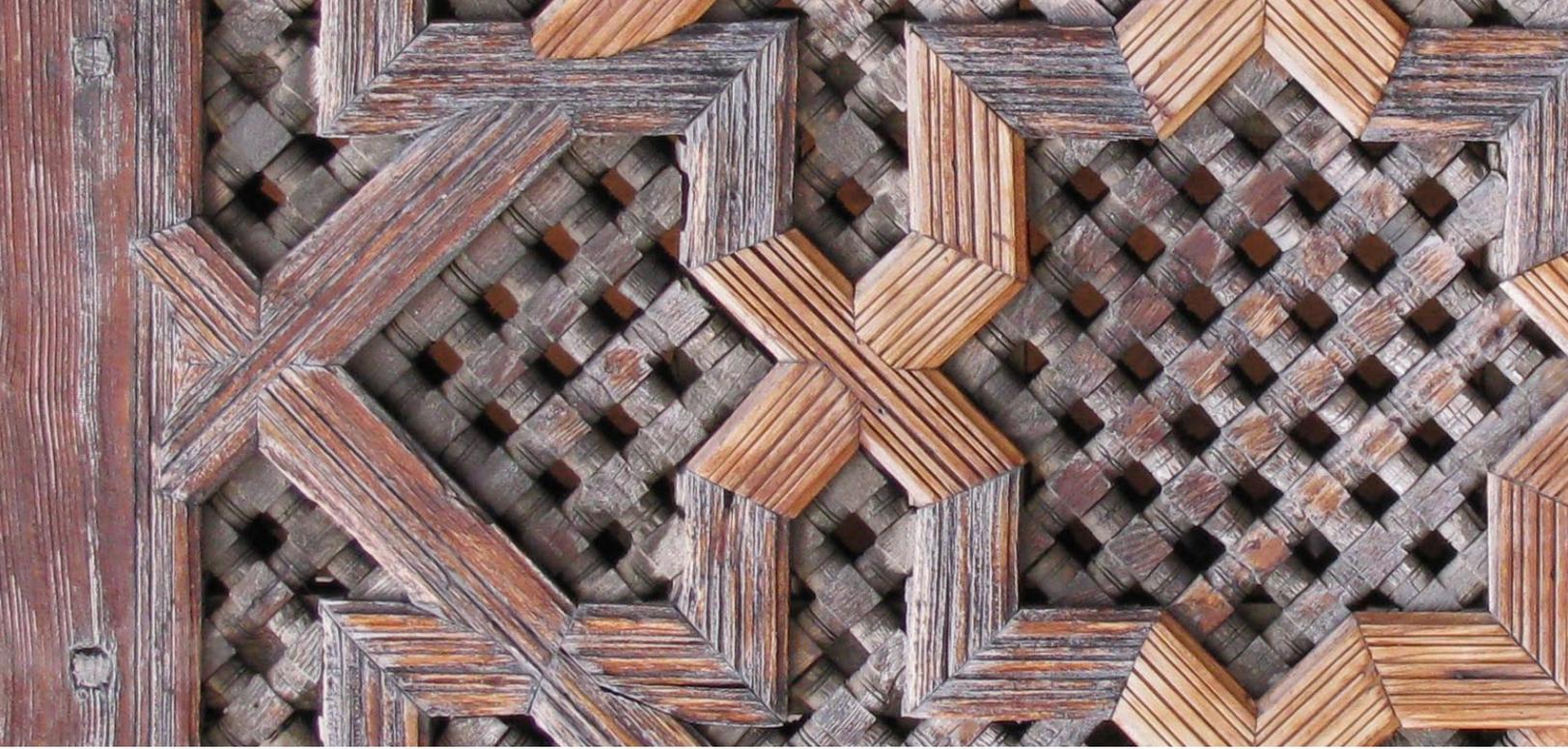
SALES AND INVESTMENTS GENERATED BY IAA PROGRAM



For every dollar spent by USAID on the Morocco IAA Program, \$5.66 was generated in direct sales and investments.

USAID/MOROCCO'S RETURN ON INVESTMENT (ROI)



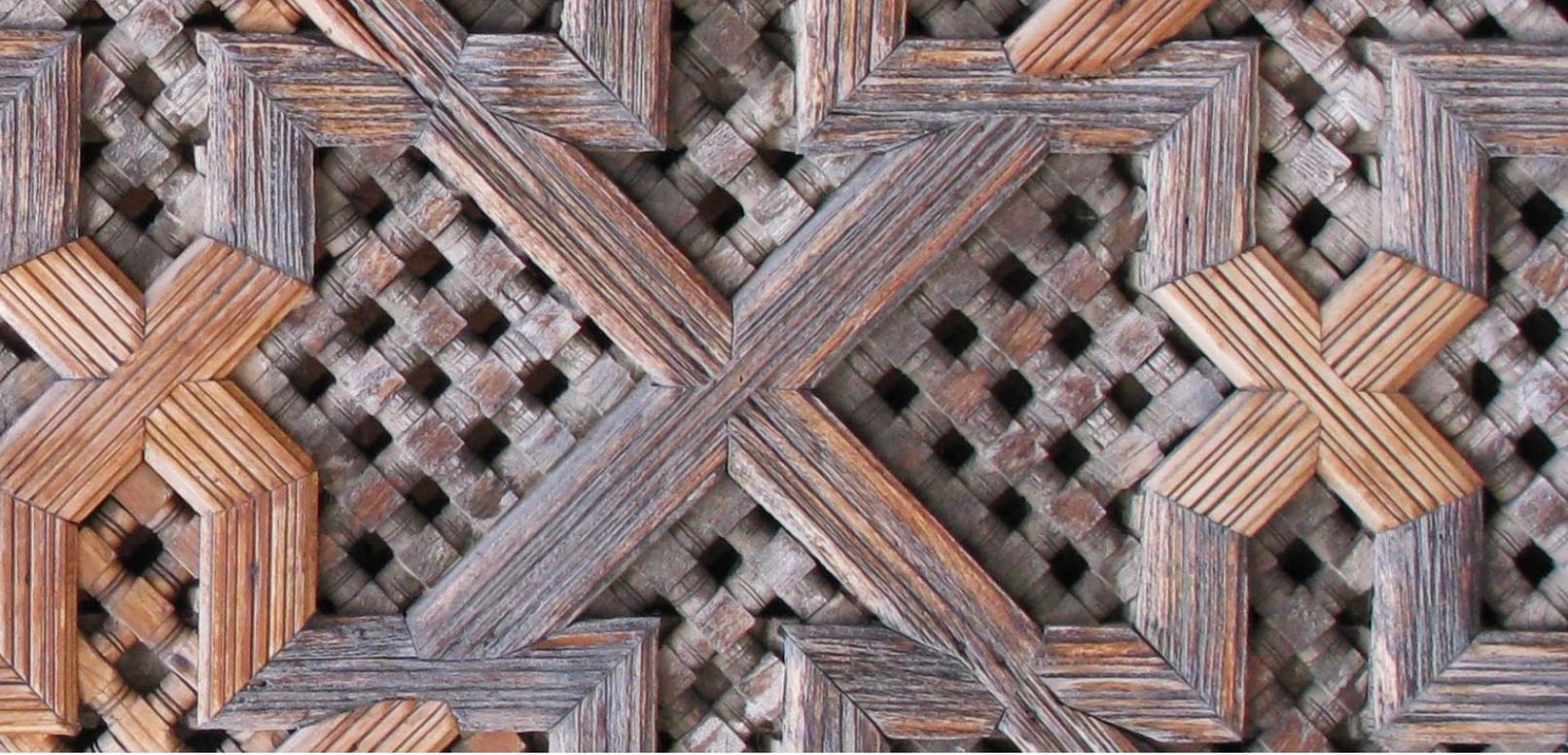


THE PATH FORWARD FOR MOROCCAN AGRICULTURE

Despite the progress made and successes realized under the IAA Program, there are still numerous challenges and opportunities facing Moroccan agriculture. Economic progress in the agricultural sector has not benefitted all Moroccans, especially the rural and poor; women and youth. And agricultural policy and institutional reforms have not happened quickly enough or have not enabled Morocco to keep pace with global changes, become more competitive, or to create more jobs for all Moroccans.

The results and lessons learned under the IAA Program can, and should, be applied toward future USAID development assistance. In the current climate there are tremendous opportunities for USAID to help Morocco achieve accelerated, sustainable, and equitable

economic growth in the agricultural sector. Building on His Majesty King Mohammed VI's vision for advancing a stable and prosperous Morocco, national initiatives launched in the last few years have given Morocco a strong strategic focus for making much needed changes. These include the *Plan Maroc Vert (PMV)*, which represents Morocco's first comprehensive, integrated agricultural development strategy, focusing equally on markets and production, on traditional and modern agriculture, and on sustainable water use and growth, the *Initiative Nationale pour le Développement Humain (INDH)*, which has targeted youth and the disenfranchised, to ensure they have opportunities to become engaged and productive members of society; and the *Pacte National pour l'Emergence Industrielle (Pacte Emergence)*, which presents an integrated strategy for accelerating growth and related job creation in



IAA PROGRAM / ELIZABETH ELLIS

ten targeted industrial and service sectors. These reforms advanced by His Majesty are focused on decentralizing and devolving political, economic, and social decision making to the regions.

Based on key lessons learned under the IAA Program, USAID and other donors can contribute substantially to the development of competitive, integrated agriculture in Morocco. By using *Moroccan talent*, donors will ensure that the tools and methodologies employed will remain in Morocco long after the close of any project. By *aggregating farmers* donors will support Pillier 2 of *Plan Maroc Vert*—advancing sustainable, equitable social agriculture that benefits small and medium farmers—not just big business. By *working with those who are ready for change* and by *demonstrating impacts before scaling up* USAID will build a solid base with engaged farmers, businesses, and institutional partners with a

clear roadmap of realistic, proven reform efforts. Demonstrating the impacts, initially on a small scale, will give USAID and its partners the buy-in needed to scale up successful projects and initiatives. By *applying the value chain methodology* USAID will support MAMF's efforts under the *Plan Maroc Vert* to encourage competitive, equitable agricultural development that results in increased incomes and jobs for all Moroccans. And finally, by *developing practical tools for dissemination*, USAID will leave behind critical resources for sustaining the successes achieved under future development projects. As USAID designs and implements its future programs in Morocco's agriculture sector, it should incorporate lessons learned from this project and others to achieve accelerated economic growth and expanded job creation for Morocco.

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