AGROINDUSTRIES

INVESTMENT AND TRADE OPPORTUNITIES

IN MOROCCO

REPORT OF A MISSION

SPONSORED BY

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
U.S. Trade and Development Program

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November 15, 1982

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2.0. Introduction

The Consultant participated in a U.S. Trade and Development Program Investment and Trade Mission to Morocco. Part of his assignment was to prepare the Mission report. The mission concluded that Morocco because of its favorable geographic location, productive potential and generally good investment climate merits consideration by American agroindustries firms as a possible investment target. Morocco's present development priorities should also present opportunities for sales of U.S. goods and services. The mission identified a number of specific areas of opportunty for U.S. investment and trade.

3.0. Conclusions and Recommendations

Mission conclusions dealt with two general areas, including agroindustrial investment and trade opportunities and trade and investment constraints. Areas of potential trade and investment opportunity include production and export of fresh and processed fruits and vegetables; integrated poultry, dairy and beef feedlots; the fisheries area; and sales of irrigation, grain handling and storage, cold stores and food processing equipment. Constraints to U.S. trade and investment in Morocco include lack of knowledge of each other on the part of businessmen from both countries; traditional linkages between Morocco and France as well as with other European countries; competitive terms for equipment purchases offered by European and Japanese suppliers; and in the case of the horticultural sector, control of the export marketing system by a government agency. The mission recommends certain steps to be taken by both the United States and Moroccan governments to remove some of the restraints and capitalize on the opportunities for enhancing commercial relations between the two countries.

4.0. Agroindustries Investment Climate

Morocco is progressively broadening its commercial and political ties with the United States. The government and private sector are actively seeking U.S. agroindustries investment and technology. Agriculture, energy and fisheries rate the highest priority in the Seventh Five Year Development Plan, which started in 1981. A new investment code recently adopted by Morocco provides foreign investors with a wide range of incentives, guarantees and more freedom of operation. Despite an economic slowdown brought on by higher oil prices and depressed world demand for Moroccan phosphates, aggravated by a serious drought in 1980, it is generally agreed that Morocco's growth prospects are very favorable during the 1980's.

5.0. Investment and Trade Opportunities

There are several sectors that appear to hold promise for profitable U.S. investment and trade involvement. Morocco already supplies a significant quantity of citrus fruits, tomatoes and other horticultural products to the European market, and has some comparative advantages for supplying these products and others to the United States and the Gulf in addition to Europe. The impending entry of Spain into the European Community makes it imperative that Morocco diversify its world markets for horticultural products. The chief barrier to U.S. participation in this sector is the control of the export marketing system for food by a government agency, the Office de Commercialisation et d'Exportation. Other constraints include high transport costs and in the case of the U.S. market, meeting FDA and phyto-sanitary requirements.

Despite a number of problems on the demand, marketing and infrastructure side, there are also a number of opportunities represented by the livestock and poultry sector. These include installation of a fully integrated broiler operation; participation in dairy production and processing on a nucleus estate basis; and drylot fattening of beef cattle and lambs.

Morocco is preparing to embark on a massive fisheries development program, ultimately costing several hundreds of millions of dollars, to more fully exploit some of the world's richest fishing grounds. Development of ports, cold storage systems and canning factories, expansion and modernization of the fishing fleet and export of Moroccan fish products could mean opportunities for sales of U.S. equipment and technical services as well as joint ventures. United States suppliers will have to compete with Spain, Portugal, France, Japan and possibly other supplier countries, however.

Expansion of port and inland grain handling and storage systems, massive irrigation projects, further development of the horticultural sector through installation of greenhouses, nurseries, cold stores and processing plants--all of these are included in current Moroccan economic development plans. These programs represent worthwhile areas of investigation for American manufacturers and agroindustries firms seeking to expand their international business.

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2.0. INTRODUCTION

2.1 The Consultant, Donald M. Taylor, President of American Agricultural Associates, Inc., was retained by the U.S. Trade and Development Program (TDP) as a member of an Agroindustries Investment and Trade Mission to Morocco in October, 1982. The mission was headed by Ronald E. Bobel, Assistant Director, TDP, and also included a poultry expert, Dr. Robert Krueger.

Mission members spent approximately two weeks in Morocco. Most of their contact was with businessmen representing the Moroccan private sector, although meetings were also held with government agencies that have direct investment and trade responsibilities and with selected members of the U.S. Embassy and AID Mission to Morocco.

2.2. The Consultant's assignment was to serve as mission economist and agroindustries investment advisor. The assignment also included the preparation of a report and recommendations based on mission findings for distribution by TDP. The report and recommendations that follow are formulated within the framework of TDP's primary objectives, which are to stimulate U.S. exports of goods, services and technology through promotion of U.S. investment abroad, in projects which must also promise to have a favorable impact on the host country's accomplishment of its development priorities.

Since one of the constraints hampering Morocco's economic development as well as hindering the growth of U.S. exports to Morocco is a serious trade imbalance, the report also addresses American business involvement in helping increase Moroccan exports.

2.3. The mission identified a number of particularly promising areas of opportunity for U.S. agroindustries investment as well as sectors with good prospects for U.S. equipment sales. Some qualified Moroccan businessmen were interviewed and several specific investment project opportunities examined.

The mission concluded that Morocco, because of its potential for greatly increased agricultural production and exports, its geographical proximity to European and African markets, a generally favorable investment climate and the existence of qualified Moroccan business firms eager to induce greater U.S.

commercial involvement, deserves to receive more attention from American agroindustries firms looking for worthwhile investment and trade opportunities.

The following is excerpted from Business America, July 12, 1982.

> The long-run prospects for Morocco are generally considered very favorable. It has the potential to increase significantly its production of agricultural products. It has some of the richest coastal fishing grounds in the world and is hardly exploiting them. It has 70-75 percent of the world's phosphate reserves, which are expected to put Morocco in a dominant world position by the 1990's. It has some of the world's largest reserves of oil shale and plans to extract uranium from phosphoric acid, so it should begin to master its energy problem. Its location close to Europe, good climate, and historical cities, like Fez and Marrakech provide increasing tourist potential. Finally, it has a relatively skilled labor force and a good industrial and transportation infrastructure to further its industrial development.

3.0. CONCLUSIONS AND RECOMMENDATIONS

3.1. Agroindustrial Investment and Trade

Morocco represents a potentially significant area of opportunity for U.S. agroindustries investment and for sales of American equipment, commodities and engineering and technical services. The Moroccan economy has been depressed due to high oil import bills and slack world demand for the phosphates that represent Morocco's most important export. The disastrous drought during the winter of 1980/81, the worst experienced in this century, greatly aggravated the economic problems.

Favorable structural factors, however, indicate strong economic growth prospects for Morocco during the remainder of this decade. These factors include prospects for future recovery of significant volumes of hydrocarbons, Morocco's possession of most of the world's known reserves of phosphate rock and the potential for greatly increased production and exports of agricultural and fisheries products.

The following conclusions and recommendations concern those sectors that are considered the most promising for possible U.S. commercial involvement in Moroccan agriculture and related industries.

3.1.1. Horticultural Products

Production and processing of fresh fruits and vegetables, primarily for export, along with input industries such as seeds, agricultural chemicals, etc., and supplemental areas such as cold storage and food processing facilities, is considered one of the most favorable sectors for U.S. business participation. Morocco's high quality fruit and vegetable production, current penetration of the European market, particularly for citrus, and the existence of an effective quality control system for exports make it a favorable base for supplying fresh and processed fruits and vegetables to the European, U.S., Gulf and African markets.

Chief barrier to U.S. investment and other involvement in this sector is the control of the marketing process by an agency of the Moroccan government, the Office de Commercialisation et d'Exportation (OCE). No American firm is willing to delegate control of its marketing program to an outside agency, particularly one operated by the government.

Another serious constraint in marketing to the United States is the difficulty of meeting U.S. government phytosanitary and Food and Drug Administration requirements for entry. The high cost of air freight and the scarcity of ocean freight services between the U.S. and Morocco pose additional barriers to Moroccan exports of fresh produce to the United States.

Recommendations:
The government of Morocco should give serious consideration to changing OCE's mandate in such a way that producers would be free to handle their own marketing programs or continue to go through OCE. This would enable OCE to continue to provide marketing service to smaller producers who do not have the resources to carry out their own export programs and to retain the very important role of overseeing standardization, grading and quality control for export food products while allowing larger producers to develop their own overseas markets.

Since Royal Air Maroc has a virtual monopoly over freight carriage between Morocco and the U.S. and is reportedly unable to generate sufficient cargo on westbound flights, it is recommended that attempts be made to negotiate with RAM for reduced freight rates for perishable, high value fresh produce and cut flowers, perhaps based on a guaranteed minimum volume.

The best assurance of gaining the capability of successfully meeting FDA and USDA physanitary conditions for the entry of fresh produce into the United States is the participation of knowledgeable joint venture partners from the U.S. produce industry. It is recommended that every effort be made by the Moroccan government and private sector, with the assistance of TDP, to induce U.S. joint venture participation in this important sector of Moroccan agriculture. This effort cannot be successful, however, unless the for going recommendations are also carried out.

3.1.2. Livestock and Poultry

Increasing the supply of dairy products and meat in order to meet local demand is a high priority item with the Government of Morocco. In addition to the domestic market, a potentially vast market for high quality meat and dairy products exists in the thriving tourist industry which attracted some 1.65 million tourists in 1981 and is projected to grow to 20 million by 1990. There are a number of constraints in the livestock and poultry area, however.

Chief among these in the poultry sector are popular consumption habits which favor purchase and slaughter of live birds. Another constraint consists of the lack of a reliable supply of good quality feedstuffs.

In the dairy sector, problems encompass low productivity of the national dairy herd; generally small scale of producers which precludes introduction of modern herd management, milking methods and nutrition programs; and government milk pricing policies.

Drylot fattening of beef and lambs is another potentially profitable area. The chief constraints here include the general lack of up-to-date feeding and management technology and the inability to obtain price differentials for better quality meat.

Recommendations:
It is recommended that efforts be made to develop at least one fully integrated model broiler operation utilizing U.S. technology with production aimed at the quality market represented by the tourist trade and the more affluent segments of the Moroccan population. While it is difficult to interest U.S. poultry producers in foreign ventures, there are two recommended alternatives for introduction of the required U.S. technology. First of these is to seek entry by a commodities firm which has or can get the necessary technical poultry capabilities and with an interest in gaining an assured export market as well as participating in the growth of the Moroccan feed manufacturing industry. The second strategy would be to provide technical services on a partially subsidized (by USAID and/or the Morrocan Government) contract basis as a means of setting an example for the whole industry. The availability of good quality, reasonably priced dressed broilers should also assist in shifting consumer preference away from the traditional, live bird purchases. The participation of U.S. government technical assistance funds in this strategy is justified from the standpoint of the potential development impact on the Moroccan poultry industry and the increased market for U.S. feedgrains.

It is also recommended that the Moroccan government as part of its investment approval process issue a standing import license for feed ingredients to qualified feed manufacturers who meet certain prescribed operating standards. This would help ensure the constant availability of better quality poultry feeds and will help improve industry efficiency.

In the dairy sector, it is recommended that a qualified American dairy firm or firms be approached to become joint venture partners in dairy production and processing. These firms should have the right to import U.S. Holsteins to help increase present low levels of productivity and help provide a better genetic base for the Moroccan dairy industry. The joint venture should be set up as a nucleus estate, with the venture entitled to maintain its own dairy herd as a source of breeding animals and technology transfer to participating small dairy farmers.

It is also recommended that the government examine its milk pricing policies which appear to be discouraging marketing of fresh milk by dairy processors.

It is recommended that the model approach also be followed in the development of drylot beef cattle feeding. Alternatives are similar to those suggested for the model broiler project, including either inducement of a U.S. cattle feeding firm or provision of the U.S. technology on a wholly or partially subsidized contract basis. The fattening enterprise should have its own slaughter and meat processing facilities and should initially target the tourist outlets and the higher income segments of the Moroccan population as markets.

3.1.1. Fisheries

The fisheries sector represents an interesting area of opportunity for American processing and marketing techniques, infrastructure development and equipment sales. Industry constraints are being addressed by the Moroccan Seventh Development Plan, through anticipated World Bank project funding and by inducement of private sector foreign and domestic investment. A fisheries colloquium will be jointly sponsored by U.S. Trade and Development Program and the Moroccan government in January, 1983, to help set the stage for American involvement in Moroccan fisheries sector development. Therefore no recommendations will be made at this time in regard to American participation in Moroccan fisheries development.

3.1.4. Equipment Related to Agriculture

Moroccan development plans represent marketing opportunities for U.S. equipment suppliers as well as investors in various infrastructure ventures. These areas of opportunity include irrigation, cold storage, food processing, grain handling and storage and port expansion programs. Chief constraint to American participation in these programs is general lack of knowledge of the opportunities and lack of experience in dealing with the Moroccan market.

Recommendations:
It is recommended that the Moroccan government with the aid of TDP and Overseas Private Investment Corporation (OPIC) develop an organized program to acquaint as many qualified American firms as possible with specific project opportunities in the above areas. (See following section 3.2.)

3.2. U.S./Moroccan Trade and Investment Constraints

The U.S. has not occupied a particularly significant place in Morocco's external commercial relations. The United States in 1981 ranked a low fifth among Moroccan suppliers. Total value of American investment in Morocco as of 1981 amounted to only $60 million with very little of that represented by agricultural or agroindustries investment.

Major reasons for the relative insignificance of Moroccan/U.S. commercial ties include the general lack of knowledge of Morocco and Moroccan business conditions and opportunities on the part of American businessmen; the traditional linkages between Morocco and France as well as with other European countries, notably Spain; the geographical distance between the two countries; and the often more favorable financial terms extended to Morocco by European and Japanese suppliers.

Recommendations:
The U.S. and Moroccan goverments are sponsoring a number of new initiatives aimed at bringing business interests in the two countries closer together. These initiatives include trade and investment missions going both ways, joint meetings such as the upcoming fisheries colloquium and other events. This report includes lists of American equipment suppliers as well as firms that might be potential joint venture partners in Moroccan agricultural and agroindustries ventures.

It is not enough, however, to merely acquaint Moroccan authorities and private sector firms with potential U.S. business partners, and to acquaint American companies with the investment climate and business opportunities in Morocco. There is a great deal of competition from countries throughout the world for U.S. agricultural and agroindustries technology, management, marketing techniques and investment. A favorable investment climate and profitable productive potential are not sufficient bases for attracting U.S. firms into Morocco. There must also be an active campaign mounted to induce American companies to take a more active interest in Moroccan commercial ties.

Therefore it is recommended that TDP, possibly working with the

Moroccan Office for Industrial Development, take the lead in helping organize a formalized program for attracting U.S. trade and investment for Morocco. This program should be coordinated with other U.S. government agencies concerned with investment and trade, including but not necessarily limited to Overseas Private Investment Corporation, Ex-Im Bank, Commerce Department and U.S. Agency for International Development. While each of these agencies has often effective programs in this area, all too often these programs are not coordinated in such a way that they support and complement one another.

Another useful device would be the formation of a Moroccan-American Business Council modeled after other such groups that have been successful in bringing together U.S. and foreign business interests. This could also be coordinated with Chambers of Commerce and Industry on both sides and with similar public and private groups.

Strengthening and expansion of commercial ties between two countries is not accomplished by a one-time investment or trade mission, nor solely by government activities. Businessmen from both countries must be acquainted with each other's needs and priorities, with opportunities represented by both sides and with the commercial and legal environment in which each side operates. Some entity then needs to act as the go-between in smoothing the way, helping solve the problems that invariably arise in joint venture negotiations and in explaining the needs of each side to the other. This can best be accomplished through a formalized structure made up of private sector business representatives with the support of the governments concerned.

4.0. AGROINDUSTRIES INVESTMENT CLIMATE

4.1. Demographic, Economic and Political Situation

Morocco is located at the northwest corner of Africa, separated from Europe by the Straits of Gibralter. It is the only North African country bordering on both the Atlantic Ocean and the Mediterranean Sea. Its neighbor to the East is Algeria.

The coastal plain, which is the richest agricultural region and the most densely populated, is characterized by a temperate, Mediterranean type climate and rainfall that is generally adequate for most agricultural purposes. The areas south and East of the Middle and High Atlas mountain ranges are arid shading into deserts, with much greater temperature extremes than along the coasts.

Population is currently estimated to be 21 million, primarily of Berber, Arabic and mixed Berber-Arab extraction. Morocco has one of the world's higher population growth rates, in excess of three percent per annum.

Agriculture accounts for about 17 percent of total Gross Domestic Product and employs almost 65 percent of the population. Agricultural exports earn \$500 to \$700 million per year while imports of agricultural products amount to approximately \$1 billion annually.

Morocco, which gained its independence from France and Spain in 1965, is a Muslim country and a constitutional monarchy. King Hassan II is a descendent of the Alaouite Dynasty, which has governed Morocco since the 16th century. King Hassan is the spiritual as well as political leader of Morocco.

Despite its longstanding and close commercial ties with France and to a lesser extent, Spain, and its close geographical proximity to Europe, Morocco is progressively broadening its commercial and political relationships with the United States. King Hassan made two state visits to President Reagan during 1982 and has taken the lead in Arab negotiations with the U.S. seeking peace in the Middle East.

The Moroccan economy posted a respectable growth rate averaging more than six percent per year during the 1970's. Growth has slowed somewhat during the past three years, due in large part to ever increasing oil import bills and a slowdown in demand for phosphates. The worst drought experienced during this Century. with a complete lack of rain during the winter of 1980/81, proved to be a serious setback to the economy, which registered a minus rate of growth in 1981.

Growth rate for 1982 is expected to reach 4.2 percent and for the period of the current Seventh Plan, which runs from 1981 to 1985, is projected to average six percent. Inflation has generally been kept to less than ten percent, although it is running somewhat higher at the present time. Morocco obtained a \$584 million loan from the International Monetary Fund in April, 1982, to help take some or the pressure off the drought induced economic slump.

The Seventh Plan has a price tag of \$18 billion. Development of agriculture, energy and fisheries occupies top priority. The plan calls for reaching self-sufficiency in agricultural production, defined as reaching a balance between the value of agricultural imports and exports. Another interesting aspect of the plan lies in its emphasis on increasing tourism, projected to grow from 1.65 million arrivals in 1981 to 20 million by 1990. The growing tourist market represents a market for higher quality foodstuffs as well as creating jobs and earning foreign exchange for Morocco.

4.2. Agricultural Situation

The Moroccan agricultural sector in the past has suffered from official emphasis on development of mining and industry rather than on agriculture. There has been little or no recent growth in agricultural production with the exception of sugar and tobacco. Essential infrastructure, knowledge and application of modern technology and an effective marketing structure are lacking in many cases.

Both government and private sector investment in the agricultural sector has tended to be concentrated on the larger, irrigated farming operations producing primarily for export. Nonetheless, due to certain anomalies in export administration as well as to lack of some key technologies, agricultural exports with the exception of citrus have not shown any dramatic growth.

Some 85 percent of commercial production is supplied by three percent of Morocco's farmers who hold 34 percent of available agricultural land. The non-irrigated areas which account for the majority of Moroccan small farms have long been neglected and as a consequence are characterized by a lack of resources and limited income opportunities. This is a contributing factor to the growing migration of people from rural areas to the cities with all of the attendant social and economic problems that this movement entails.

Plans and programs are going forward currently to address the problems of the small farmer in the rainfed agricultural sector. The Seventh Plan puts more emphasis on agricultural development generally and particularly on solving the problems of rainfed farming. U.S. Agency for International Development and World Bank are also helping fund programs aimed at improving the productivity of arid land farming.

Cultivable land in Morocco amounts to 7,900,000 hectares. Grain, primarily wheat, barley and some corn, in 1980 accounted for some 85 percent of land actually cropped, or 4,400,000 ha. Total cereals production in 1980 was approximately four million tons compared with total demand of six million tons.

Exports of agricultural products in 1980 totaled $765 million. Most Moroccan agricultural exports are marketed to Europe. Citrus exports which have almost doubled since 1970 account for about 40 percent of total agricultural exports.

Other important crops include vegetables, the most important being tomatoes; beans, peas and lentils; and sugar beets. Livestock also play an important role in Morocco's agricultural economy.

The 1980/81 drought caused a sharp reduction in livestock population. Cattle numbers in 1981 dropped to 2,900,000 from the previous year's total of 3,240,000; sheep went from 15,800,000 in 1980 to 11,270,000 in 1981; goats dropped from 5,600,000 to 1,950,000; while swine numbers were 10,000,000 compared with 11,000,000 the previous year.

Production of poultry meat dropped from 100,000 metric tons in 1980 to 74,700 mt in 1981. Redmeat supplies due to heavy slaughter induced by the drought went to 220,200 mt in 1981 compared with 146,000 mt in 1980.

Fresh milk production was 550,000 liters in 1981 and 732,000 liters in 1980. Many dairy animals were slaughtered for meat because of shortages of feed supplies.

4.3. Investment Conditions

The Government of Morocco is currently placing strong emphasis on attracting foreign investment, particularly in agriculture and agroindustries. A new investment code approved recently allows foreign companies to own 100 percent of the equity in Moroccan registered companies, guarantees repatriation of profits and capital gains and provides a wide range of investment incentives.

The investment incentives consist of exemptions from import duties on various products, tax reimbursements, subsidized land purchases and low interest rate loans to approved industries. There are no restrictions on employment of expatriate managers and technicians.

Investment incentives are aimed particularly at small and medium size ventures, defined as those with investment requirements of less than $1 million.

Incentives are graduated according to size of investment, number of jobs created, geographic location and degree to which products are exported. Additional incentives are available for those companies that institute programs for conserving energy, water and the environment. Some 26 industrial zones are now in operation or being planned throughout the country.

The Seventh Plan calls for more reliance on investment by the private sector. There are a substantial number of business groups in Morocco that have the financial and managerial capability and are interested in entering into joint ventures in agriculture and agroindustry with American companies.

Financial support is also available from the official development bank, the Banque Nationale pour le Developpment Economique. BNDE will lend up to 60 percent of project cost for selected ventures. The commercial banking system consists of 15 banks. There is also an official export-import bank, the Banque Marocaine du Commerce Exterieur.

All foreign investment inquiries and proceedings are handled through the government investment office, the Office for Industrial Development. ODI provides a convenient one-stop service center for foreign investors.

Morocco possesses a number of advantages for American investors. The country is currently suffering from economic problems brought about by the rise in oil import prices and reduced demand for phosphates, which represent Morocco's most important export. These problems were aggravated by the recent drought. Morocco is, however, rich in natural resources and productive capacity.

Morocco also has a fairly large domestic market, with population of 21 million people, although income levels are still fairly low. The new emphasis on agricultural and fisheries development embodied in the Seventh Plan poses a number of interesting possibilities for U.S. agroindustries firms.

One of the most interesting of these is the investment in productive facilities for producing fresh and processed fruits and vegetables, cut flowers and canned fish, for marketing in the United States, Europe, the Gulf and in some parts of West Africa.

Opportunities also exist in the livestock sector, particularly for dairy and modern integrated poultry operations. Per capita consumption of meat and dairy products is still very low by international standards. The agricultural input industries also represent opportunities for both trade and investment.

A number of constraints exist also, however. The close Moroccan ties to France and other European countries, particularly Spain, make it difficult for American firms to break into the Moroccan market. Language can also be a barrier. Arabic is the official language of Morocco but most commerce is carried on in French.

One of the more serious constraints to American investment in export oriented agroindustries ventures is the role played by the Office de Commercialisation et d'Exportation (OCE), the official government agency that controls food exports. OCE is responsible for the export of all fresh fruits and vegetables, processed foods and fish. In the case of fresh fruits and vegetables, the agency finds markets, sets prices, conducts sales negotiations, takes physical possession of the products, provides handling and shipping services and receives payment.

For processed fruits and canned fish, the producer is free to find his own marketing outlets, but OCE must approve sales contracts and also arranges for handling and shipping services. OCE is also responsible for quality control, grading and standardization for exported food products. In return for its services, it charges a fee which generally amounts to three percent of the total value of the products.

The quality control responsibilities of OCE are a valuable and necessary adjunct to gaining and maintaining export markets for Moroccan food products. The existence of this mechanism was undoubtedly one of the important factors accounting for the rapid growth of Moroccan citrus exports to Europe.

Control of the marketing process by OCE, however, can be a hindrance as well as an aid in expanding food exports. In the case of smaller producers who lack the resources to effectively enter overseas markets, OCE plays a useful and necessary role. It would be preferable, however, to allow the larger, better organized producers to handle their own market development and marketing efforts in order to fully exploit international marketing opportunities for Moroccan products.

OCE's control of the marketing process also effectively forestalls any possible American interest in agroindustries investment in the Moroccan fruit and vegetable sector. The existence of profitable markets and marketing opportunities is a primary consideration in any decision to invest abroad. No American firm is prepared to delegate marketing responsibility to a government agency.

One other constraint for export oriented industries is the high cost of air freight between Morocco and the U.S. Certain high value perishable commodities must be shipped by air. At the present time, Royal Air Maroc has a virtual monopoly on the Morocco to New York direct route. According to Moroccan businessmen, RAM freight rates constitute a serious barrier to expansion of exports of perishable, high value products.

An additional problem is the lack of regular ocean freight service between the two countries. Both of these problems might be overcome if a large enough volume of exports from Morocco to the United States were developed. This presents a dilemma, however, since without lowering freight rates and instituting regular service, it may be difficult to build volume.

5.0. INVESTMENT AND TRADE OPPORTUNITIES

The following sectors represent in the judgement of the Consultant the most promising areas of opportunity for U.S. investment and trade:

5.1. Horticultural Crops

Citrus fruits represent the largest horticultural crop in Morocco as well as the major export commodity. Fresh citrus exports in 1981/82 are estimated to have totaled 672,000 tons. About 700 tons of juice concentrate is also exported each year as well as limited quantities of single strength juice and 40,000 to 60,000 tons of essential citrus oils.

Europe is the primary market for citrus exports, with some significant inroads being made into the Gulf region, particularly Saudi Arabia. One of the prospects for exports to the U.S. is the Clementine orange, which is a seedless type of tangerine.

During 1982 some 18,000 tons of Clementines were exported to Canada with 3,000 tons reportedly transhipped to the U.S. The Clementines are shipped by special refrigerated vessels which normally require only five or six days to reach North American East Coast ports from Morocco.

Fresh tomatoes represent the second largest horticultural export crop. During 1980 fresh tomato exports totaled 85,000 mt and processed tomato products some 1,007 mt. Competition from other Mediterranean countries, particularly EEC member Italy, has cut sharply into Moroccan tomato products exports during the past few years. Morocco also exports a substantial amount of fresh potatoes, with sales in 1979/80 amounting tc 29,226 mt.

Other important horticultural exports include early green beans, peppers, eggplants, avocados, strawberries and wine.

THe Moroccans are greatly concerned about the continued access of their citrus and other horticultural exports to the European Community, particularly in view of the impending entry of Spain into the Community. One of the important Moroccan goals during the next few years is to diversify export markets.

The completion of several new irrigation schemes will further enhance the productive capacity of the Moroccan horticultural industry and intensify the need to find new market outlets. There is also a pressing need to increase production efficiency and productivity, particularly in citrus, and to introduce new crops which are in demand on world markets. Morocco has a comparative advantage in her ability to produce off-season and early season products for export when other countries are not in production.

As the labor cost component continues to increase in the food processing industries of the United States and other industrialized countries, there will likely be a shift in the production and processing of fruits and vegetables to countries with the productive capacity and lower labor costs. Morocco, with favorable agronomic conditions and relatively low wage rates offers some comparative advantages in this respect as well.

Interest has also been expressed by Moroccan businessmen in the development of a dehydrated vegetable industry to supply soup mixes and other prepared foods to foreign food companies. Some ingredients are already grown and dehydrated locally but the Moroccans would like to perform the entire processing and packaging function domestically.

The prospective role for U.S. companies in the Moroccan horticultural sector is first, that of assisting in opening up new markets in the United States and elsewhere for Moroccan fresh and processed fruits and vegetables and helping produce products that meet the specifications of these markets; second, providing advanced production and marketing technology; and third, involvement in constructing and operating the necessary marketing infrastructure including cold storage facilities and processing plants. American firms can also play a useful role in the introduction of new horticultural products, based on world market demand.

It is highly unlikely, however, as mentioned above, that significant U.S. involvement in the Moroccan horticultural sector will occur as long as OCE maintains its present control over the food export marketing system.

One exception may be cut flowers, which do not fall within the province of OCE. The U.S. retail market for fresh flowers amounts to $3 billion and is growing at the rate of 10 percent per year. An increasing proportion of fresh flowers are supplied by overseas growers. Morocco produces excellent quality flowers which sell at comparatively low prices and which appear to be competitive with present supplier countries.

5.2. The Livestock and Poultry Sector

There are two distinct livestock sectors. Most sheep and goats and a substantial number of cattle are managed under a semi-nomadic herdsmen system in the less productive regions of the country. This has led to serious over-grazing and a steadily declining level of productivity per animal.

The second sector, intensive livestock production based on improved irrigated pastures and some drylot feeding is confined largely to dairy cattle and some beef herds. Present government policy calls for encouragement of this intensive production sector including expanded drylot feeding of sheep and beef cattle. Increasing self-sufficiency in milk supplies is also a foremost government priority.

There are several serious problems in the dairy sector. The domestic shortfall in milk supplies was aggravated by the 1980 drought. Annual imports of dry milk solids now total more more than 100,000 tons. If licensing restrictions were relaxed, it is probable that considerably more milk powder would be imported, since representative milk processing plants are operating sometimes at less than 60 percent of capacity.

The government pricing structure for fresh milk reportedly does not allow processors an adequate profit margin. As a result, one of the larger milk processors interviewed during the course of the study is converting most of his milk supplies to yogurt rather than selling it as fresh milk, since yogurt prices have been decontrolled.

Due to the small size of most dairy farms and the consequent lack of adequate technology, milk processing plants must contend with problems caused by poor sanitation and lack of quality control. The absence of milk replacers means that a considerable portion of the milk produced goes to calves rather than to the processors.

All slaughter plants for beef and sheep are government owned. There is no regulation prohibiting private slaughter house operation, but the government is reportedly refusing to license new slaughterhouses because of the under-utilization of the present publicly owned abattoirs.

There is no meat processing industry in Morocco. Animals are generally purchased by butchers and custom slaughtered in the public abattoirs. The market for European or U.S. type cuts is limited to the tourist hotel and restaurant trade and to a relatively small circle of affluent Moroccans and expatriates. There is no grading or pricing differentiation for the various portions of the carcass except to the above trade.

During the past seven years there has been a rapid increase in commercial production of poultry, while the traditional sector has remained stable. Poultry meat production increased from 29,000 tons to 100,000 tons between 1970 and 1980, with all of this increase coming in the commercial sector.

In 1970 there was no intensive egg production--all eggs were produced in home flocks. With the onset of commercialization, egg production went from 280 million to 630 million, representing per capita consumption of 31 eggs in 1980 compared with 18 in 1970.

The growth in poultry production was made possible by extensive infrastructure developments, including installation of modern feedmills, commercial hatcheries, grow-out houses and others. Integration has begun to a limited extent, consisting primarily at present of commercial feedmills engaging in hatchery operations to supply day-old chicks to their feed customers.

Government policy calls for expansion of the broiler industry to help meet the growing deficit between supply and demand for red meats. Consumption habits and low per capita incomes represent the major barriers to rapid expansion of demand for poultry meat.

Consumers prefer to select live birds and see them killed rather than purchasing dressed broilers. As a consequence there is relatively little slaughter and processing capacity for poultry in Morocco.

Consumers also like the taste of the traditionally produced birds rather than intensive produced broilers. The traditional birds sell for a premium price in the market. Another constraint to development of a modern marketing system for poultry is the very small number of supermarkets existing in the country at the present time.

Because of the sharp increase in red meat supplies during 1981, poultry consumption went from 5.9 kg per capita in 1980, to 3.9 kg the following year. Hatcheries were forced to cut back their operations due to lack of demand for day-old chicks. In 1982, however, prices are improving and poultry numbers are being built back up.

One of the major handicaps cited by the poultry industry is that 60 to 70 percent of the required feed raw materials, mostly corn and soybean meal, must be imported. Since imports require licensing, feed manufacturers are often unable to obtain imported materials and must substitute poorer quality local feedstuffs. The corn content of poultry rations, for example, commonly varies from 20 to 80 percent.

This in turn makes it difficult for poultry producers to guage production results. Only a few of the larger mills utilize computers for feed formulation, making it even more difficult to predict the results of feedstuff substitutions on poultry performance. One of the problems with efficiency of production and with consumer acceptance of eggs and poultry meat is the tendency to use high levels of fishmeal in the rations to substitute for expensive or scarce soybean meal.

There are 19 larger feedmills in Morocco with capacities ranging from 6,000 to 150,000 tons per year. Some smaller mills are owned by commercial poultrymen. Total national feed manufacturing capacity is 780,000 tons but present production is only about 300,000 tons. Some 90 to 95 percent of this is poultry feed.

There are 20 commercial hatcheries in Morocco with capacities ranging from 30,000 to 360,000 day old chicks per week and total national capacity of two million day old chicks per week. Total output of day old chicks in 1981 was 38,750,000.

Opportunities for potential U.S. participation in the livestock sector include integrated poultry production incorporating feed manufacturing; dairy production and processing; and drylot fattening of beef cattle and lambs. Development of a more rational marketing system and significant further increases in demand for meat and dairy products should accompany the accelerated growth forecast for the Moroccan economy between now and 1990. Despite the fact that there is at present over-capacity in the Moroccan feed manufacturing industry, there would appear to be room for the addition of a modern feed manufacturing operation utilizing computer based feed formulation, sophisticated testing procedures and creative merchandising practices. This would preferably be integrated into a broiler operation which includes hatcheries, a contract out-grower system with provision of extension services and of production inputs and an up-to-date processing plant geared to producing high quality dressed birds for the growing tourist market and the higher income portion of the Moroccan population.

Several Moroccan businessmen have expressed interest in entering into such an operation in partnership with qualified American firms. The only way such a venture can be successful, however, is if the Moroccan government will provide some assurance that the firm can import required feed raw materials as needed.

There is a growing interest in drylot fattening of beef cattle as well as lambs. A beef production joint venture already exists between the King Ranch of Texas and a Moroccan parastatal company. This company as well as several other Moroccan entrepreneurs are interested in a modern feedlot operation possibly in combination with an abattoir. The abattoir should include provisions for breaking carcasses into wholesale and retail cuts, with provision for eventually producing portion controlled cuts. The major market to start would be the tourist trade.

A good basis for drylot fattening enterprises already exists in the area south of Casablanca where various irrigation schemes have provided 50,000 hectares of irrigated cropland, soon to be increased to 100,000 ha. Part of this land is scheduled to be planted to corn and forage crops. Extensive supplies of beet pulp, molasses and other industrial byproducts are also available in the area.

5.3. Fisheries

Morocco has approximately 2,000 miles of coastline bordering on the Atlantic Ocean and the Mediterranean Sea. These waters, particularly the Atlantic, are among the richest fishing grounds in the world. Estimates of potential catch range from two to three million tons per annum.

At the present time the Moroccan catch totals only 300,000 tons per year while foreign vessels, many of them unauthorized "pirates", harvest an estimated additional 500,000 tons per year. With the recent imposition of a 200 mile exclusive economic zone, the

Moroccan government intends to promote greatly expanded fishing activities by Moroccan interests while progressively reducing the role of foreign fishing vessels in Moroccan waters.

The World Bank is presently completing a one million dollar study of the Moroccan fisheries sector. The study is aimed at the identification of industry needs including new fishery ports and port infrastructure, new and upgraded fishing boats, large refrigeration units at major fishing ports, installation of cold storage facilities to handle fish at inland towns and cities, fishing boat construction and repair, etc. There is also need for extensive rehabilitation of present fish canning plants and/or construction of new plants if Moroccan fish products are to compete successfully in world markets, particularly the U.S.

Estimated total cost of the fisheries development program will range into the hundreds of millions of dollars. World Bank is expected to fund a number of the projects identified by the Bank study.

The ambitious fisheries development program will present many opportunities for joint ventures and sale of equipment by foreign firms. The Government of Morocco and the U.S. Trade and Development Program are sponsoring a joint fisheries colloquium in January, 1983, to help set the stage for U.S. participation in these opportunities. Competition is already shaping up, however, from France, Spain, Portugal, Japan and other countries.

One of the specific areas of opportunity within the fisheries sector is the canning of sardines for export to the U.S., European and Japanese markets. The Atlantic coastal town of Agadir is already the world's largest sardine port.

Due to poor quality canning facilities and consequent lack of acceptance in many potential export markets including the U.S. some 80 percent of the sardine catch is presently processed into fishmeal and fish oil.

There is a growing market particularly in the industrialized countries for fancy pack, boneless and skinless sardines. Most countries cannot afford to produce these because of the high labor component and excessive labor costs. At the present time Portugal is the only country with a sizeable output of boneless and skinless sardines, but the supply cannot keep up with world demand. The abundant supplies of sardines and the comparatively low labor rates in Morocco should make this an ideal site for development of an industry based on supplying a premium sardine product to world markets.

Another possible prospect for profitable fisheries cooperation between Morocco and the United States lies in the area of aquaculture, or fish farming. Shrimp aquaculture aimed at supplying both the Moroccan tourist trade and export markets should be particularly interesting because of high world demand for shrimp at good prices and existence of appropriate climatic and productive conditions on Morocco's Mediterranean coast.

5.4. Equipment Related to Agriculture

Morocco's development plans include largescale expansion of port and inland grain handling and storage facilities; substantial further development of irrigation systems; more nurseries and greenhouses to expand horticultural production and exports; and major increase in cold stores facilities, food processing plants and similar areas. A TDP sponsored team made up of representatives from U.S. Department of Agriculture, grain trade associations and several technical consultants recently completed an extensive survey of port and inland grain handling and storage needs in Morocco. Result of the report will be utilized in recommending a national grain storage and handling project to World Bank for possible funding.

Developments in the areas mentioned above will pose opportunities for sales of U.S. equipment, engineering and technical services and for U.S. participation in Moroccan joint ventures. American firms may in some cases need to consider some type of joint venture participation if they are to be selected over the Europeans and Japanese as suppliers to Moroccan agroindustry.

This is particularly true in the areas of greenhouses and nurseries, cold storage facilities and food processing enterprises. Another crucial factor in generating U.S. equipment sales to Morocco will be the ability of the United States to structure financing packages that are competitive with those offered by other suppliers.

ANNEX I

PRE-INVESTMENT PROFILES

<u>Note:</u> The following pre-investment profiles are meant to serve as examples of project opportunities encountered during the course of the mission. Additional profiles are being prepared with the cooperation of the Moroccan businessmen interviewed by mission members. These additional profiles will be distributed individually by TDP to American agro-industry firms involved in the particular area of interest addressed by each profile.

ANNEX I.

PRE-INVESTMENT PROFILES

COMMERCIAL COLD STORES VENTURE

Project Description:

The project consists of the construction and operation of a 10,000 ton capacity cold stores facility at the newly constructed Moroccan port of Jorf Lasfar, approximately 117 km south of Casablanca.

The project sponsor is Mr. Joseph M. Abergel, owner and manager of the Intragro Company, a Moroccan corporation which engages primarily in the export and import of various commodities including grains. Mr. Abergel is a prominent Moroccan businessman who is well known to the American Embassy in Morocco.

The site for the installation has been selected. The Ministry of Equipment has given its approval for the project. Bids have been requested for the equipment and for turnkey installation.

Financial Requirements

An estimated 20 million Moroccan dirhams will be required for capital investment, or the equivalent of U.S.$3.3 million. The foreign exchange requirements will probably make up about half of this sum. The investment will be made up of equity capital, local loans and possibly loans from International Finance Corporation or other foreign lending agency.

Technical Details

The cold stores facility will include cold rooms with a capacity of 5,000 metric tons for butter and dairy products; and an additional 5,000 tons for meat, fish, fruits and vegetables. It will be designed as a standard cold storage facility.

Marketing Plan

The facility will be utilized as an entrepot and for storage of the above products. Some 4,000 tons of butter per month are imported by Morocco from the European Community. Vessels bringing these products into the already overcrowded port facilities at Casablanca are subject to long delays in unloading their cargoes and subsequent high demurrage costs. The new port at Jorf Lasfar will provide for a rapid turnaround of the smaller (1,500 to 2,000 ton average) vessels bringing in these products. Some imported meat will also probably be handled through the facility.

There is already a substantial export of fresh fruits and

Commercial Cold Stores Venture (Cont.)

vegetables from Morocco to Europe and the Gulf, and prospects for a large increase in domestic and export marketings of Moroccan fish. Cold stores facilities for handling these products presently inadequate to meet the needs. Jorf Lasfar, located between Casablanca and the fishing ports of Agadir and Safi, will provide a central point for storing and shipping these products.

Implementation Schedule

The project is ready to go ahead as soon as questions concerning the most appropriate method of financing, the source and procedures for obtaining equipment and the availability of qualified joint venture partners are decided.

Foreign Partner Inputs

Bids for the equipment and turnkey installation of the cold stores plant have been received from two Japanese and one Dutch supplier. Mr. Abergel is, however, convinced that the association with an American firm that can supply operating technology as well as equipment would be a valuable asset to his venture. He has decided, therefore, to seek such an American firm which, if it is willing to put up some of the equity financing, will be relied upon to supply and install the equipment.

Pre-Investment Profiles (Cont.)

BEEF CATTLE FEEDLOT

Project Description

The project consists of a 4,000 head capacity beef cattle feedlot located south of Casablanca, between Casablanca and Marrakech. It is anticipated that feedlot capacity will be increased to 10,000 head at some future date.

The Moroccan partner is the Societe Nationale de Developpement de l'Elevage (SNDE), a national parastatal livestock corporation. SNDE already has three smaller feedlots on its three present cattle ranches. The company also has a joint venture in beef cattle breeding with King Ranch of Texas.

The project as a whole will consist of feed production on 200 hectares of irrigated land owned by the company; feed manufacturing; and possibly at some point slaughter and beef processing.

The feedlot site has been selected and a feasibility study completed. The search for a foreign partner to supply technology, management and some equity investment is presently underway.

Financial Requirements

Estimated capital requirements for the project are four million dirhams fixed investment (approximately U.S. $650,000) and an equal amount in working capital. These estimates appear to be low, based on similar feedlot installations elsewhere. The operating cost estimate is particularly open to question, since the initial inventory requirements for feeder cattle and feed normally amount to several times the total of fixed investment in a feedlot. Local project financing is available from the Agricultural Credit Bank, from BNDE and from other local sources.

Technical Details

The entire range of cattle feeding technology including nutrition, health care and disease control and modern management methods are presently lacking in Morocco and need to be introduced into the project if it is to achieve success. The United States represents the most advanced source for this type of technology.

Marketing Plan

At present there is no grading system or price differentials based on quality for the bulk of beef marketed in Morocco. Thus there is little incentive to produce a higher quality product. To bypass this difficulty, the feedlot will produce a product designed to appeal to the growing tourist trade, numbering 1.65 million arrivals in 1981, and to the relatively small but very

Beef Cattle Feedlot Venture (Cont.)

affluent segment of the Moroccan public that represents a market for quality beef.

Project Inputs

Raw material inputs will consist primarily of feeder cattle and feedstuffs. Feeder cattle for the lot will be procured from the present SNDE ranches, from the King Ranch joint venture and from other cattle growers in the area.

In addition to the feed grown by the ranch on its 200 hectares, the surrounding area totaling 50,000 irrigated hectares represents a source of corn and other feed raw materials. There are also sugar factories utilizing sugar beets in the area, making available beet pulp and molasses. There are also some additional industrial byproducts available in the region.

One of the chief reasons that SNDE is seeking a foreign joint venture partner is to gain the required technical management capabilities.

Implementation Schedule

SNDE would like to go ahead as quickly as possible, but is delaying the project while seeking foreign partners.

Foreign Partner Inputs

SNDE would like to see an equity structure representing either a 49 percent interest on the part of the foreign partner and 51 percent held by SNDE, or a split of equity investment between SNDE, the SNDE/King Ranch joint venture and the foreign partner. In addition to investment, a major condition in the selection of the foreign partner will be his knowledge, experience and capability in modern methods of cattle feeding. The foreign partner will also be expected to provide technical management, training programs for local personnel and assistance in setting up and operating efficient marketing systems.

ANNEX II.

AMERICAN FIRMS BY CATEGORY OF INTEREST

Notes:

The following is not intended to be an exhaustive list of U.S. firms that might be interested in doing business in Morocco. It provides examples of outstanding firms in each interest category.

U.S. Trade and Development Program has compiled a list of American companies in the fisheries supply category as well as potential fisheries joint venture partners, as part of their 1983 Morocco Fisheries Colloquium. This list will be made available upon request.

ANNEX II.

U.S. COMPANY LISTS

Horticulture--Fresh and Processed Fruits and Vegetables

Beatrice Foods Company
Two North LaSalle Street
Chicago, Illinois 60602 (FP)

Campbell Soup Company
Campbell Place
Camden, New Jersey 08101 (FP)

Coca-Cola Company
310 North Avenue, N.W.
Atlanta, Georgia 30313 (FP)

Del Monte Corporation
P.O. Box 3575
San Francisco, Calif. 94119 (FP)

General Foods Corp.
250 North Street
White Plains, N.Y. 10023 (FP)

Green Giant Corp.
Hazeltine Gates
Chasko, Minn. 55318 (FP)

H.J. Heinz Company
P.O. Box 57
Pittsburgh, Pa. 15230 (FP)

Libby, McNeil & Libby
200 S. Michigan Avenue
Chicago, Ill. 60604 (FP)

Nabisco Brands, Inc.
625 Madison Avenue
New York, N.Y. 10023 (FP)

Pet, Inc.
400 S. Fourth St.
St. Louis, Mo. 63102 (FP)

Quaker Oats Co.
345 Merchandise Mart
Chicago, Ill. 60654 (FP)

Stokeley-Van Camp
941 N. Meridian St.
Indianapolis, Ind. 46206 (FP)

United Brands Co.
1271 Avenue of the Americas
New York, N.Y. 10020

ACCO Seed Company
P.O. Box 307
Belmond, Iowa 50421 (S)

Asgrow International Corp.
Kalamazoo, Mich. 49001 (S)

Neuman Seed Company
P.O. Box 1530
El Centro, Calif. 92243 (S)

Jacklin Seed Company
West 5300 Jacklin Ave.
Post Falls, Idaho 83854 (S)

Pioneer Hi-Bred Intl. Inc.
1206 Mulberry St.
Des Moines, Iowa (S)

NewAg Corp.
888 N. Sepulvada Blvd.
Suite 614
El Segundo, Calif. 90245 (FS)

M. Singer's Sons Corp.
Hunts Point & E. Bay Ave.
261-263 NYC Terminal Mkt.
Bronx, N.Y. 10474 (FS)

SRDI Inc.
108 N. Main St., Suite 203
Logan, Utah 84321 (FS)

FP: Food Processor
S: Seed Company
FS: Fresh Produce Sales

A. Duda & Sons, Inc.
Highway 426
Oviedo, Florida 32765

Annex II (Cont).

Livestock and Poultry

Agway Inc.
Box 4933
Syracuse, N.Y. 13221 (LP)

American Breeders' Service
Rt. 1, Box 459
DeForest, Wis. 53532 (LS)

AZL Resources, Inc.
P.O. Box 29008
Phoenix, Ariz. 85038 (LP)

Borden, Inc.
277 Park Ave.
New York, N.Y. (DP)

Cargill, Inc.
Cargill Bldg.
Minneapolis, Minn. 55402 (PP)

Carnation Intl.
5045 Wilshire Blvd.
Los Angeles, Cal. 90036 (DP)

ConAgra, Inc.
Omaha, Neb. 68131 (PP)

Foremost-Mckesson, Inc.
Foremost Plaza, 1 Post St.
San Francisco, Cal. 94104 (DP)

Far-Mar-Co, Inc.
Box 1667
Hutchinson, Kan. 67501 (LP)

Gold Kist, Inc.
244 Perimeter Ctr. Pkwy, N.W.
Atlanta, Georgia 30346 (PP)

Holstein Assn.
1 South Main St.
Brattleboro, Vt. 05301 (DP,DS)

Land O'Lakes
P.O, Box 116
Minneapolis, Minn. 55440 (DP,DS)

Monfort of Colorado, Inc.
P.O. Box G
Greeley, Colo. (80632 (LP)

Peavey Company
730 2nd Ave., South
Minneapolis, Minn. 55402 (LP)

Ralston-Purina Intl.
Checkerboard Square
St. Louis, Miss. 63118 (PP)

Tyson's Foods, Inc.
2210 W. Oaklawn Drive
Springdale, Ark. 72764 (PP)

LP: Livestock Producer
LS: Livestock Services
DP: Dairy Producer
DS: Dairy Services
PP: Poultry Producer
PS: Poultry Services

Annex II (Cont.)

Equipment Suppliers

De Laval Ag. Division
Alfa Laval, Inc.
350 Dutchess Turnpike
Poughkeepsie, N.Y. 12602 (DE)

American Can Company
American Lane
Greenwich, Conn. 06830 (FS)

Blount Industries
P.O. Box 949
Montgomery, Ala. 36102 (ES)

Butler Mgf. Co.
P.O. Box 917
Kansas City, Mo. 64141 (MS)

California Pellet Mill Co.
1800 Folsom St.
San Francisco, Cal. 94103 (ME)

Cherry-Burrell, Inc.
20400 Sixth St., S.W.
Cedar Rapids, Iowa 52406 (DE)

Continental Can Intl. Co.
4 Landmark Square
Stamford, Conn. 06901 (FS)

Lindsay Intl. Corp.
3050 Post Oak Blvd.
Suite 1660
Houston, Texas 77056 (IE)

M-E-C Company
Box 330
Neodesha, Kan. 66757 (LE)

Pascoe Bldg. Systems
P.O. Box 2628
Pomona, Cal. 91766 (MS)

Rainbird Sprinkler Mfg. Co.
7045 N. Grand Ave.
Glendora, Cal. 91740 (IE)

Read Steel
P.O. Box 7343-A
Birmingham, Ala. 35253 (MS)

Sargent Pump and Irrig. Co.
1155 S. Broadway
Othello, Wash. 99344 (IE)

Simon-Johnson, Inc.
2519 Madison Ave.
Kansas City, Mo. 64108 (PE)

Sprout-Waldron & Co.
Muncy, Pa. 17756 (LE)

Valmont Industries
Valley, Nebraska 68064 (IE)

DE: Dairy Equipment
DP: Dairy Production
ES: Engineering Services
FS: Food Services
IE: Irrigation Equipment
LE: Livestock Equipment
MS: Metal Structures
PE: Poultry Equipment

ANNEX III.

KEY CONTACTS

The mission members met with businessmen representing a broad spectrum of Moroccan commercial interests as well as with a number of government officials. The following were among the most important of these and represent the short list of Moroccan interests with whom TDP follow-up programs in Morocco should commence:

Abdelkader Akouri Tarik Annoumou S.A. Avanue Hassan II B.P. 349, Agadir Tel. 21961	Tarik is a company set up to develop investment projects for a large group of businessmen from Southern Morocco, around the Agadir area. Tarik investigates project feasibility, assists in putting together investment financing and engages in some trading. Affiliations include substantial equity holdings in two major Moroccan banks.
Omar Akouri Comteco (Maroc) S.A. 3, Rue El Yanhoua Rabat Tel. 61353, Tlx: 32602 COMTECO M.	Omar Akouri (brother of Abdelkader) has an international trading company with branches in six African and European countries. Comteco is primarily in the import-export business, including agricultural products, but is interested in possible agribusiness joint ventures.
Dr. J.P. Cougard de Boismilon, Director-General Jacques de Boismilon, Techn. Director, Somadiet 46, zankat Shou Rabat Tel. 72735, Tlx: 31680 M	Somadiet deals mainly in veterinary services and supplies, poultry medications and related products. The company is interested in becoming involved in import, manufacture and sales of other poultry related products including hardware.
Elhoucine Layachi Ciments Artifacts de Meknes Km. 8, Route de Fes Meknes Tel 22644	The Layachi family business group has major cement interests in Morocco, but are also involved in extensive farming operations in the Meknes-Fez area. They with to further expand their horticultural interests and to diversify into poultry.
Othman Skiredj 11, Av. Allal Ben Abdellah Rabat Tel. 33845 Tlx: 31951	Mr. Skiredj has a variety of trading, engineering and other business interests. He is also interested in various agribusiness activities.

Annex III (Cont.)

Abderrahman Tazi 1, Place Mirabeau, Apt. 107 Casablanca 1 Tel. 301661 Tlx: 22073 AGRIMAG M	Mr. Tazi served for ten years as Executive Director of the World Bank. He heads one of the larger and more diversified firms in Morocco. Tazi is also President of the Moroccan Committee of the International Chamber of Commerce. The Tazi family has extensive farming and agricultural trade interests in Morocco.
Jabri Mohamed Office de Commercialisation et d'Exportation 45, Av. des Far-Casablanca Tel. 310543 Tlx: 21610	OCE controls the export marketing of fresh and processed food products from Morocco, including quality control.
El Mossadeq Abderazzak Office Pour le Developpement Industriel 10, Zankat Ghandi BP 211 Rabat Tel. 32181	ODI is the official investment agency for Morocco.
Kettani Ahmad Society Nationale de Developpement de l'Elevage 5, Zankat Sala (Tour Hassan) Rabat Tel. 27782	SNDE is a parastatal company that owns and operates several livestock enterprises