

# Morocco AP<sup>3</sup> Challenge Cost Share Proposal

**Country Mission Name:** USAID/Morocco

**Name of Project:** Morocco Medicinal Plants Development (MPD).



## 1-Background

USAID Morocco will be launching in the next coming weeks the Morocco Agriculture and Agribusiness Development program (AAD). This program will respond to the challenges of the US-Morocco Free-Trade agreement signed recently. The main goals of this program will be to strengthen the local capacity so that Moroccan agriculture and agribusiness can compete in the global and regional market place well into the future. This program will contribute to the creation of jobs and generate revenues for farmers, workers, and other entrepreneurs, especially in rural areas and smaller towns and cities.

The AAD program will select value chain(s) for program focus that take into account the products and commodities that Morocco is best positioned to supply (with competitiveness in mind), given its climate, rainfall, scarcity of water, geographic location, other natural resources, labor skills and availability, policy environment, access to capital, and opportunities for

improved total factor productivity. Medicinal plants are high value products that possess adequate quality for export and can serve as alternatives for low value traditional crops (such as cereals) especially in arid and semi-arid areas. Additionally, Morocco has a potential competitive advantage in the medicinal plants sector which can be developed to increase the visibility and impact of the AAD program.

The development of the medicinal plants sector, under the Morocco Agricultural Partnerships for Productivity and Prosperity (Morocco AP<sup>3</sup>), will complement the objectives of the AAD program by improving local capacity for service provision - utilizing existing “know-how” – to adjust the skills and mind-set of Moroccan farmers and entrepreneurs to be able to take advantage of new crops and new market opportunities. Alongside with the AAD program, this initiative will also develop capacity for export to the US, EU and other regional markets, sensitize value-chain exporters about how to access commercial sources of sanitary and phytosanitary (SPS), packaging, quality control, transportation and other services needed to overcome non-trade barriers and be competitive. These aspects will be implemented through workshops and studies. Topics will include productivity, quality, SPS requirements, post-harvest practices, agrochemical handling, and certification requirements for imports into the US and the European Union markets.

## **2-Objectives**

The Morocco AP<sup>3</sup> initiative, in conjunction with the ADD program, will work with the Moroccan medicinal plants business community partners (farmers, agribusiness associations, universities etc.) to achieve the following objectives:

- Highlight and address the opportunities and constraints facing the development of the medicinal plants sector;
- Assist farmers and agro-processors to improve the productivity of high value medicinal plants;

- Improve product(s) promotion and identify potential partners for investment opportunities within Morocco's agribusiness community and the region;
- Develop partnerships and collaboration between the public and private sector, and universities in Morocco and the region;
- Contribute (with AAD program) to promote the sector, increase employment, and expand trade through the development of medicinal plant agro-industry in Morocco.

### **3-Statement of Work**

The Morocco AP<sup>3</sup> initiative will develop a partnership among the main stakeholders of the sector (farmers, agro-processors, Ministry of Agriculture, Ministry of Industry and Commerce etc..) by ensuring that there is an appropriate examination of roles and competitive advantages among the partners and would also reach out to similar efforts that are taking place in the ANE region (Algeria, Tunisia, Egypt, and Jordan).

Morocco exports more than 20 types of medicinal plants mainly to the Europe, Asia and North America. Vervain (verbena), for example, represents about 46,6 % of value exported and contributes 24 million dirham, corresponding to about 600 tones exported. The sector, however, remains less organized than in other countries, although there are many intervenants in many regions of the country (Marrakech, Oulmes, Agadir and other areas). AP<sup>3</sup> initiative would serve as a model to create a network among the main producers and agro-processors in order to better organize the sector.

Currently, there are two types of medicinal plants businesses: professional businesses and traditional ones. The former category includes more specialized businesses that have the means, resources and contact inside Morocco (Tanger, Meknès, Marrakech, Agadir, etc) and in the external markets. The latter category includes occasional local producers (mostly small and medium farmers) who do have neither the means nor the financial resources to compete with the former category at the internal or external markets. Both categories are not well organized and

lack the institutional capacity and networks to be competitive. An association for medicinal plant development called ADPEPAM was created in 1995. However, this association remains less known nationally and internationally. AP<sup>3</sup> Morocco aims to expand the markets of the most advanced producers (first category) by helping them better organize themselves and expand their markets.

There are many potential champions who could be selected to sustain the achievements of the AP<sup>3</sup> initiative like the Institut Agronomique et Vétérinaire Hassan II de Rabat ([www.iav.ac.ma](http://www.iav.ac.ma)), the Ecole Nationale d'Agriculture de Meknès ([www.enameknes.ac.ma](http://www.enameknes.ac.ma)), Institut National de la Recherche Agronomique (INRA, <http://www.inra.org.ma/>), many private sector producers and processors, the Direction de Production Végétale within the Ministry of Agriculture and Rural Development and others.

This initiative will contribute to the AAD program as follows:

#### **4-Agricultural Productivity and Variety**

This initiative will diversify agricultural production by focusing on high value crops will contribute to component two of the AAD program (Improved Public Policies and Institutions in Support of More Competitive Agriculture and Agribusiness). To this effect, AP<sup>3</sup> will assess potential markets, including new niche markets, for Moroccan medicinal plants. Assessments should include the domestic, regional (Maghreb and Sub-Saharan Africa ), EU (Eastern and Western Europe) and U.S. export markets. The assessment should also take into account the impacts of recent free trade agreements with the EU, Turkey FTA, the US-Morocco FTA, as well as agreements with other countries in the Middle East and North African (MENA) region.

The Morocco AP<sup>3</sup> project will identify medicinal plants or commodities that Morocco are best positioned to produce and market such as thyme, lavender, vervain and rosemary (with competitiveness in mind), given the country's climate, rainfall, scarcity of water, geographic location, other natural resources, labor skills and availability, policy environment, access to capital, and opportunities for improved total factor productivity. Indeed, Medicinal plants

development are good farming activities that link producers directly to export marketing opportunities and which can be adapted easily to the smaller, fragmented lands in Morocco. The Morocco AP<sup>3</sup> will also contribute and complement an ongoing research partnership between USDA, INRA and ICARDA whose main objective is to do research on medicinal plants in order to improve agricultural productivity and provide better quality crops.

### **5-Marketing and Public Awareness**

Under Morocco AP<sup>3</sup>, we will develop various outreach tools in order to improve farmers, agro-processors, donors and public awareness of medicinal, herbal, and industrial crop potentials. This could be done through prints and audio-visual media, including brochures, posters, training manuals, bill boards, radio programs, banners, and TV public service announcements.

### **6-Funding required**

Approved AP<sup>3</sup> funding will be used to develop medicinal crops in the country areas which have the potential to improve the productivity of medicinal plants. To this effect, planning meetings with appropriate public sector, agribusiness, and university collaborators will be held immediately to develop a plan of work and accompanying budget. Line items, such as personnel time, consultants and specialists, training workshops, travel, database management, website development, and the preparation of social communication tools and information kits (CDs, posters, fact sheets, and brochures), would be elaborated. If approved, the start of Morocco AP<sup>3</sup> initiative would coincide with the Mission's launching of the AAD program, which will also allow the mission to develop specific synergies and long term objectives for the two activities.