

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Jordan

Grain and Feed Annual

Jordan Grain and Feed Annual

Approved By:

Orestes Vasquez and Ron Verdonk

Prepared By:

Mohamed Khraishy

Report Highlights:

Jordan's domestic production of cereals is negligible. This report covers Jordan's production, supply and demand of wheat, barley, corn and rice.

Executive Summary:

The Hashemite Kingdom of Jordan is among the poorest on earth in terms of water resources. Water scarcity is a real threat to the country's ability to grow crops. As a result, Jordan's domestic production of cereals is negligible. Jordan's total wheat consumption for MY 2015/2016 is forecast to reach 1,000,000 MT, of which up to 100,000 MT is expected to be imported from the U.S. The major wheat suppliers are Black Sea sources. For the same period, Jordan's barley imports are expected to reach 850,000 MT, corn imports 620,000 MT, and rice imports at 190,000 MT, of which 50 percent is of U.S. origin.

Commodities:

Wheat

Production:

Production of wheat is negligible in Jordan and would cover less than two weeks of the country's annual consumption.

Consumption:

Wheat for human consumption will expand due to population growth rate and the ongoing presence of hundreds of thousands of Syrian refugees. Total consumption also includes wheat that is diverted for use as animal feed. Jordan's total wheat consumption is approximately 950,000 MT per year. However, the influx of Syrian refugees, which began in early 2012, has increased annual wheat consumption by approximately 200,000 MT.

Syrian registered refugees are estimated to be nearly 10 percent of the population (or slightly above 600,000 registered refugees) according to the UNHCR. A similar number is living normally within the Jordanian society. The total current population is believed to be a little bit over the 8 million of whom approximately 6 million people are counted as Jordanian citizens. Government of Jordan (GOJ) officials believe the Syrian presence could now represent as much as 20 percent of the actual number of consumers.

Trade:

In MY 2015/16 wheat imports are expected to increase slightly given the population growth rate and the large refugee presence. Economic pressures coupled with high C&F prices for U.S. wheat continue to make Black Sea wheat more competitive and are projected to be the only source of wheat to Jordan in MY2015/16, except for a few cargoes of U.S. origin wheat.

Stocks:

GOJ continues its policy of maintaining strategic stocks at 10 months of consumption to avoid any shortages. These are equivalent to 400,000 MT in storage silos and 200,000 on sea and at port.

Policy:

Jordan's wheat bread, known as *mowahad*, "unified bread", is fully subsidized by the government and all consumers are entitled to it. The GOJ fixes the price of subsidized wheat so that bakeries sell subsidized bread at US\$ 0.22 per kg. To do so, the GOJ provides the bakeries with wheat flour extracted at a milling rate of 80 percent at US\$50 per MT, while the market cost for the wheat flour can range as high as US\$450 per MT. Whenever there is an increase in the cost of an input used for making bread, such as fuel, the GOJ lowers the flour price to compensate for that increase, maintaining the subsidized price. There are no indications that the GOJ has plans to change its bread subsidy policy. The value of the subsidy is higher still when one considers the government's handling and storage of the commodity.

Marketing:

For all intents and purposes, the Ministry of Industry and Trade (MIT) is the sole wheat importer in Jordan, through a process of soliciting international offers by local traders. The dozen flour mills in country could contract for wheat purchasing, but as a practical matter MIT does all the buying.

Production, Supply and Demand Data Statistics:

The already minimal level of production is expected to decline further due to persistent drought, land desertification, and the loss of land to urbanization.

For now, an increase in demand is expected due to continued economic hardship that makes it the most affordable food, the continued and likely expanded presence of Syrian refugees, and also the use of some flour in the market by certain humanitarian relief agencies to feed Syrians on the border areas.

Wheat	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jul 2013		Jul 2014		Jul 2015	
Jordan	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Harvested	15	15	15	14	0	20
Beginning Stocks	433	433	362	354	0	343
Production	15	15	20	14	0	25
MY Imports	839	833	1,350	1,000	0	1,050
TY Imports	839	833	1,350	1,000	0	1,050
TY Imp. from U.S.	0	0	0	0	0	100
Total Supply	1,287	1,281	1,732	1,368	0	1,418
MY Exports	10	12	0	10	0	10
TY Exports	10	12	0	10	0	10
Feed and Residual	15	15	115	15	0	15
FSI Consumption	900	900	1,000	1,000	0	1,000
Total Consumption	915	915	1,115	1,015	0	1,015
Ending Stocks	362	354	617	343	0	393

Total Distribution	1,287	1,281	1,732	1,368	0	1,418
1000 HA, 1000 MT, MT/HA						

Commodities:

Barley

Production:

Production of barley is negligible. Most barley is used for animal feed at early growth stages.

Consumption:

Barley is mainly used for sheep feed and to a lesser extent for dairy cattle and poultry. Barley use dropped significantly after the GOJ adopted the animal tag system in 2007. Each sheep herder now receives subsidized barley according to the actual number of tagged animals. As a result, corruption has decreased substantially compared to last decade.

Trade:

MY 2015/16 total imports are expected to decrease compared to last year's to 850,000 MT. The good rains of the winter just passed are providing a prolonged grazing period. Barley suppliers are mainly Black Sea countries. No barley imports from the U.S. have been recorded for a decade. The GOJ has been the main importer of barley and sets the selling price, although a market window exists for importers when international market prices are lower than the subsidized one established by the GOJ.

Stocks:

The ending stocks in MY 2014/2015 will be about 530,000 MT in inland and port silos. This amount, in addition to the purchased and contracted amounts, exceeds 10 months of Jordan's consumption. This is part of GoJ policy for food security to keep a quantity in storage or destined for Aqaba on hand equivalent to ten months of wheat and barley in inventory .

Policy:

Only sheep and goat owners receive subsidized barley in the form of a discounted price. This program excludes cattle and poultry farmers from receiving subsidized barley as these two agricultural subsectors are considered industries. The GOJ animal tagging project has created a reliable database of all ruminants in Jordan, replacing the animal census which was of questionable accuracy.

Marketing:

The Ministry of Industry and Trade (MIT) is the predominant barley importer in Jordan.

Production, Supply and Demand Data Statistics:

Barley Market Begin Year Jordan	2013/2014		2014/2015		2015/2016	
	Jul 2013		Jul 2014		Jul 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Harvested	30	30	20	30	0	30
Beginning Stocks	335	335	464	427	0	530
Production	20	15	15	15	0	15
MY Imports	1,009	927	650	938	0	850
TY Imports	950	927	650	938	0	850
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	1,364	1,277	1,129	1,380	0	1,395
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	900	850	850	850	0	860
FSI Consumption	0	0	0	0	0	0
Total Consumption	900	850	850	850	0	860
Ending Stocks	464	427	279	530	0	535
Total Distribution	1,364	1,277	1,129	1,380	0	1,395

1000 HA, 1000 MT, MT/HA

Commodities:

Corn

Production:

Jordan's corn production is negligible, with annual production totaling less than 10,000 MT. Any corn that is domestically produced is for human consumption as corn on the cob.

Consumption:

Feed corn consumption is forecast to be 610,000 MT MY15.

Trade:

The decrease in U.S. corn prices has increased demand for U.S. origin corn slightly, but the market is still dominated by Argentine, Brazilian, and Black Sea corn. MY 2015 will likely be no different as the market remains very price sensitive.

Jordan's imports of corn have increased, corresponding to the growth in the dairy, broiler and table egg sectors.

Jordan's poultry industry is considered the biggest agri-business sector in Jordan, with an investment value of around USD 2.5 billion. The Jordan-U.S. Free Trade Agreement no longer provides an advantage for U.S. corn, as all imported corn is exempt from tariffs.

Stocks:

Only a nominal amount of corn is stored on-farm by poultry farmers.

Policy:

There are no restrictions on corn trade in Jordan, and specifications for corn are similar to U.S. standards.

Marketing:

Corn in Jordan is imported and distributed through private sector traders according to free market rules.

Production, Supply and Demand Data Statistics:

Corn Market Begin Year Jordan	2013/2014		2014/2015		2015/2016	
	Oct 2013		Oct 2014		Oct 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Harvested	1	1	1	1	0	1
Beginning Stocks	33	33	23	36	0	66
Production	10	10	5	10	0	10
MY Imports	450	564	550	672	0	620
TY Imports	450	564	550	672	0	620
TY Imp. from U.S.	0	16	0	40	0	75
Total Supply	493	607	578	718	0	696
MY Exports	10	26	10	22	0	30
TY Exports	10	26	10	22	0	30
Feed and Residual	450	535	500	620	0	600
FSI Consumption	10	10	10	10	0	10
Total Consumption	460	545	510	630	0	610
Ending Stocks	23	36	58	66	0	56
Total Distribution	493	607	578	718	0	696
1000 HA, 1000 MT, MT/HA						

Commodities:

Rice, Milled

Production:

Being the fourth driest country in the world, Jordan does not produce rice at all.

Consumption:

Rice is a staple of the Jordanian diet. Average annual consumption is about 27 kg per person. The preferred variety is medium grain (Camolino), which constitutes 90 percent of imports.

Trade:

U.S. market share for rice is expected to remain steady in MY 2014/15 at nearly 50 percent of Jordan's imports for medium grain rice, making it the third largest market for US rice. Other major rice suppliers include Thailand, India and Turkey.

Stocks:

No stocks are maintained for this commodity.

Policy:

There are no restrictions on rice trade in Jordan, and specifications are similar to U.S. standards.

Marketing:

Rice in Jordan is imported and distributed through private sector traders according to free market rules of supply and demand.

Production, Supply and Demand Data Statistics:

Rice, Milled Market Begin Year Jordan	2013/2014		2014/2015		2015/2016	
	Jan 2014		Jan 2015		Jan 2016	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	10	10	10	11	0	13
Milled Production	0	0	0	0	0	0
Rough Production	0	0	0	0	0	0
Milling Rate (.9999)	0	0	0	0	0	0
MY Imports	200	151	200	196	0	190
TY Imports	195	151	200	196	0	190
TY Imp. from U.S.	88	88	0	96	0	100
Total Supply	210	161	210	207	0	203
MY Exports	0	0	0	5	0	0
TY Exports	0	0	0	5	0	0
Consumption and Residual	200	150	200	190	0	190
Ending Stocks	10	11	10	13	0	13
Total Distribution	210	161	210	208	0	203

1000 HA, 1000 MT, MT/HA

