

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Jordan

**Post:** Amman

### **Fresh Fruit and Vegetable Prices Escalate in Jordan**

**Report Categories:**

Agricultural Situation

Agriculture in the News

Agriculture in the Economy

Fresh Fruit

Vegetables

Tomatoes and Products

Climate Change/Global Warming/Food Security

Potatoes and Potato Products

**Approved By:**

Ron Verdonk

**Prepared By:**

Mohamed Khraishy and Mariano J. Beillard

**Report Highlights:**

Jordan is experiencing an unprecedented spike in fresh fruit and vegetable prices. Increased consumer demand exacerbated by weather induced production shortfalls and growing water scarcity is contributing to an upward spiral in prices. Syrian refugees, numbering at least 600,000, are straining Jordanian food supply resources.

## General Information:

The Hashemite Kingdom of Jordan is experiencing unprecedented high fresh fruit and vegetable prices. Along with increased consumer demand, production shortfalls caused by colder than normal nighttime temperatures coupled with growing water scarcity are contributing to an upward spiral in prices.

Jordan's population of 6.5 million (July 2013 est.) is also now competing with Syrian refugees for access to fresh fruits and vegetables. Syrian refugees are conservatively estimated to number 600,000; Jordan's government however sets this figure closer to 1.2 million people. Many of these refugees are reportedly seeking to establish a long-term foothold in Jordan (especially in the al-Mafraq area where the Zadari refugee camp is located) through property purchases and the establishment of commercial enterprises.

From our discussions with Jordan's Ministry of Agriculture (MoA), FAS Amman identifies three major reasons for the recent escalation in prices:

1. Unanticipated demand growth for fresh fruits and vegetables brought on by the influx of refugees escaping the Syrian civil war.
2. Colder than normal nighttime temperatures in desert/ semi-desert areas (particularly in the al-Mafraq area). With temperature fluctuations of 15° celsius between day and night, there have been increased incidences of frost damage.
3. Water from the al-Disi aquifer (fossil, non-renewable water) is being diverted from southern (commercial) agricultural production lands for use by Amman's growing urban population.

Jordan's commercial crops have been hard hit this season. The local tomato crop, which serves as a barometer of the general state of crop production, has been particularly hard hit.

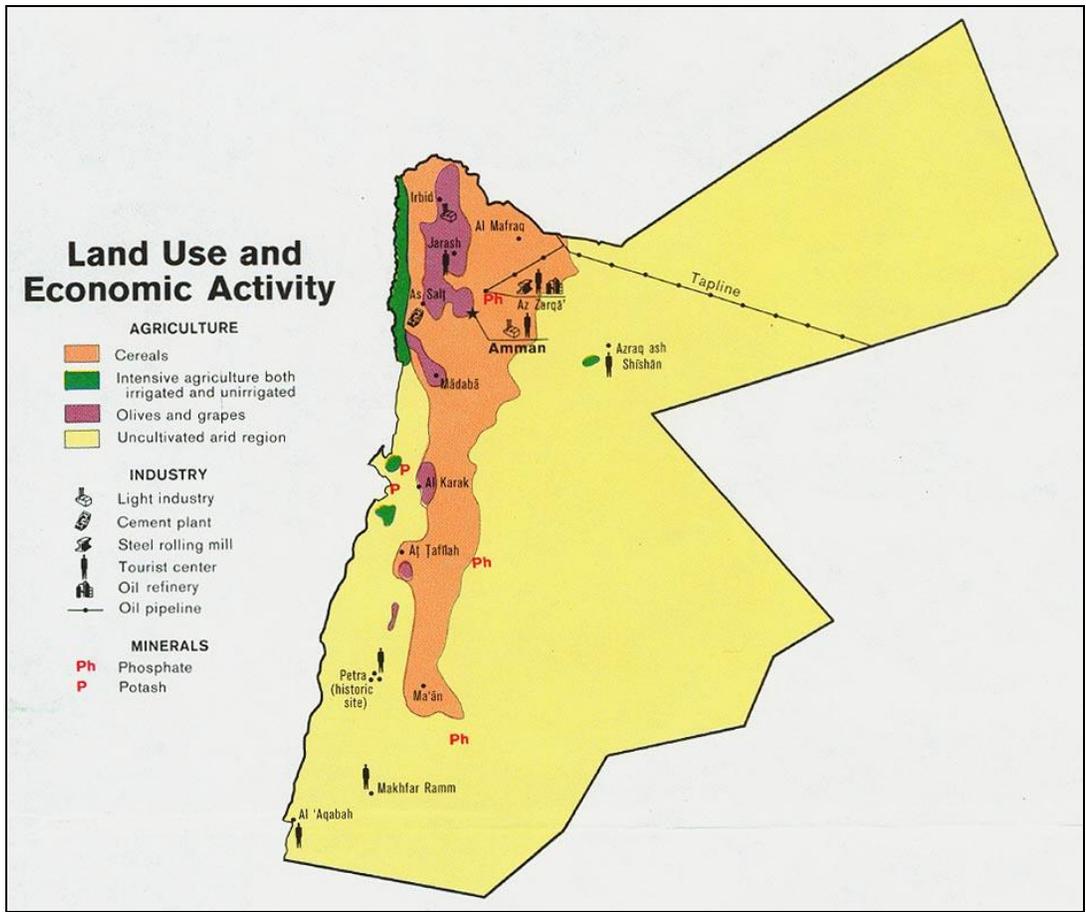
Tomato imports from Syria and Turkey normally fill production shortfalls. However, the inability of the aforesaid suppliers to fill Jordanian (plus Syrian refugee) demand is forcing fresh fruit and vegetable distributors to scramble to supply consumers. Imports from Syria have been curtailed due to the Assad government's export ban on fresh fruits and vegetables (running through December 31, 2013). While imports from Turkey are down as a result of Turkish trucking companies suspending operations on the trans-Syrian routes; numerous drivers have reportedly been killed while attempting to transit through Syria. Transportation costs have risen fourfold this year as a result.

Trade and farm sources indicate that cauliflower and fresh potato prices are escalating as a result of production and import shortfalls. Potato production area is down significantly from 18,000 dunams to 3,000 dunams (1 dunam = 1,000 square meters or 0.1 hectare) as aquifer water is diverted away from agricultural production (in the Gueira area) to urban population centers. Southern Jordan's commercial agricultural production is mainly for export to neighboring Saudi Arabia.

Potato imports from Lebanon continue to find their way to Jordan, but in smaller volumes. Importers, mindful of problems with transportation security, are minimizing their financial risk by scaling back import volumes.

Under more normal circumstances, Jordan usually exports about 750,000 metric tons (MT) of fresh fruits and vegetables per annum; main export destinations are the Gulf Cooperation Council

(Cooperation Council for the Arab States of the Gulf) countries, Canada, and the Russian Federation.



Source: Central Intelligence Agency.