

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Jordan

Grain and Feed Annual

Annual Report

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Report Highlights:

Jordan's domestic production of cereals is negligible. Total Wheat imports for MY 2010/2011 are forecast to reach 720,000 MT, and 50,000 MT are expected to be imported from the U.S. For the same period, Jordan's barley imports are expected to reach 600,000 MT corn imports 500,000 MT (U.S. has 44 percent market share), and rice imports 140,000 MT (U.S. has 90 percent market share).

Commodities:

Wheat

Production:

Production of wheat is negligible in Jordan; barely sufficient for country's consumption for 17 days.

Consumption:

Wheat for human consumption is steady, total consumption does include some wheat that is diverted for use in animal feed. Wheat bread is fully subsidized. GoJ has committed itself to fix the price of subsidized wheat so that bakeries sell subsidized bread at US\$ 0.22 per kg. To do so it provides the bakeries with wheat flour extracted at 80 percent at US\$ 80 per ton, while the actual cost for this flour exceeds sometimes US\$500 per MT. To maintain this subsidized pricing whenever there is an increase in one other bread's component price (like fuel) then GoJ lowers the flour price to meet that increase.

Jordan's total wheat consumption is around 720,000 MT per year.

Trade:

In MY 2011/12 wheat imports are expected to remain at same level as MY 2010/2012. Wheat imports have been influenced by global market volatility and accelerating prices. Drought and increasing international prices were the motivated the GoJ's decree to maintain a 10 months strategic reserve in Jordan and on sea, equal to 450,000 MT in silos and 200,000 MT on sea and at the Aqaba port.

Russia and black sea countries exported nearly 400,000 MT of wheat in MY 2011/12.

Currently only 50,000 MT of U.S. wheat was imported from US in MY2011/12 under a food for progress agreement. Economic pressures coupled with high C&F prices for U.S. wheat keep Black Sea wheat more competitive.

Stocks:

GoJ's current policy is to maintain its strategic stocks at 10 months versus 3 months to avoid any shortages, as they did in MY 2007/08. Currently strategic stocks equal 450,000 MT in storage silos and 200,000 on sea and at port, if that strategic reserve level is maintained.

Policy:**Production, Supply and Demand Data Statistics:**

Wheat Jordan	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	16		15	100	15	
Beginning Stocks	388	388	348	180	337	648
Production	12	15	15	33	15	25
MY Imports	882	497	936	450	900	700
TY Imports	882	497	936	450	900	700
TY Imp. from U.S.	0	0	511	400	0	50
Total Supply	1,282	900	1,299	663	1,252	1,373
MY Exports	9		12	0	12	0

TY Exports	9	15	12	0	12	0
Feed and Residual	0	15	0	15	0	15
FSI Consumption	925	705	950		950	708
Total Consumption	925	720	950	15	950	723
Ending Stocks	348	180	337	648	290	650
Total Distribution	1,282	900	1,299	663	1,252	1,373
1000 HA, 1000 MT, MT/HA						

Commodities:

Barley

Production:

Production of barley is negligible; most of it goes for in 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's consumption has dropped significantly after GoJ adopted the new animal tag system. Each sheep herder now receives subsidized barley according to actual number of tagged animals. This system cut a lot of corruption in using subsidy system.

Trade:

No barley imports from the U.S. were recorded. Barley suppliers are mainly black sea countries. The GOJ has been the sole importer of barley and sets the selling price.

Stocks:

End stock is 220,000 MT in silos, on sea and at port.

Policy:

Only sheep- and goat-owners will receive the subsidized barley. This program excludes cattle and poultry farmers from receiving subsidized barley as these two agricultural businesses are considered industries.

The GOJ animal tagging project has created a reliable data base on all ruminant animals in Jordan to replace the repeatedly questionable animal census.

As a result, of recent years global feed price increasing, subsidy reforms in Jordan and continuous drought, sheep meat price has recorded unprecedented high level, a stable rise of at least 200 percent was recorded in the market

Production, Supply and Demand Data Statistics:

Barley Jordan	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	31	30	30	30	30	
Beginning Stocks	212	212	193	180	203	220
Production	17	18	15	15	15	15
MY Imports	493	550	500	525	500	500
TY Imports	432	550	500	525	500	500
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	722	780	708	720	718	735
MY Exports	4	0	5	0	0	0
TY Exports	5	0	5	0	0	0

Feed and Residual	525	0	500	0	500	0
FSI Consumption	0	600	0	500	0	500
Total Consumption	525	600	500	500	500	500
Ending Stocks	193	180	203	220	218	235
Total Distribution	722	780	708	720	718	735

1000 HA, 1000 MT, MT/HA

Commodities:

Corn

Production:

Corn production is negligible, less than 1,000 MT used as corn-on-the cob for human consumption.

Consumption:

Corn consumption is forecast to be 500,000 tons.

Trade:

Jordan imports of corn have increased due to natural growth of poultry and dairy industries, and active domestic exports of chickens and eggs to nearby markets mainly Iraq. A Free Trade Agreement signed between Jordan and the United States is no longer an advantage for U.S. corn, as all imported corn is exempted from tariffs.

Corn is imported in bulk by the private sector, to meet the demand of poultry industry that is considered the biggest agri-business sector in Jordan, with investment size estimated as USD 1.6 billion.

In MY2011/12, corn imports are expected to rise and substitute part of the barley market share. Additionally, the new ethanol industry bi-product, Dry Distilled Grain Soluble (DDGS), found its way into the market on a commercial basis from the U.S. in the last year.

Policy:

Corn consumption is steady at 500,000 MT to meet the demand of poultry and to a lesser extent dairy industries. There are no policies restricting U.S. corn imports to Jordan.

Production, Supply and Demand Data Statistics:

Corn Jordan	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1		1	1	1	1
Beginning Stocks	3	3	2	49	22	50
Production	20	1	20	1	20	1
MY Imports	281	498	400	525	400	500
TY Imports	281	498	400	525	400	500
TY Imp. from U.S.	86	178	71	178	0	200
Total Supply	304	502	422	575	442	551
MY Exports	2	2	0	2	0	2
TY Exports	2	2	0	2	0	2
Feed and Residual	300	450	400	522	400	500

FSI Consumption	0	1	0	1	0	1
Total Consumption	300	451	400	523	400	501
Ending Stocks	2	49	22	50	42	48
Total Distribution	304	502	422	575	442	551
1000 HA, 1000 MT, MT/HA						

Commodities:

Rice, Milled

Production:

Being four driest country in the world, Jordan has no rice production.

Consumption:

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

Trade:

U.S. market share for rice is expected to rise in MY 2011/12. American suppliers showed they're reliable ones during the global food crisis by keeping their commitments to local importers. The crisis strengthened consumer confidence that enable U.S. suppliers to expand their share in Jordan's rice market. Egypt's ban on its domestic rice exports and Australia's declining supply have also been a contributing factor for this rise in U.S. market share.

Other major rice suppliers are Thailand, India and Turkey.

Stocks:

Importers avoid long storage of rice for two reasons, extra costs for storage, uncertainty and risk of price's fluctuation. In many cases, the distribution channel the marine vessel to whole sale customer is simpler.

Marketing:

The rice trade is conducted by the private sector.

Production, Supply and Demand Data Statistics:

Rice, Milled Jordan	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	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	10	10	15
Milled Production	0	0	0	0	0	0
Rough Production	0	0	0	0	0	0
Milling Rate (.9999)	0	0	0		0	0
MY Imports	136	133	160	140	160	140
TY Imports	136	133	160	140	160	140
TY Imp. from U.S.	78	83	0	80	0	90
Total Supply	146	143	170	150	170	155
MY Exports	0	1	0	1	0	1
TY Exports	0	1	0	1	0	1
Consumption and	136	132	160	134	160	139

Residual						
Ending Stocks	10	10	10	15	10	15
Total Distribution	146	143	170	150	170	155
1000 HA, 1000 MT, MT/HA						