

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 10/2/2012

GAIN Report Number: JO12002

Jordan

Grain and Feed Annual

Enter a Descriptive Report Name

Approved By:

Anita Katial

Prepared By:

Mohamed Khraishy

Report Highlights:

Jordan's domestic production of cereals is negligible. Total Wheat imports for MY 2012/2013 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 , and rice imports 140,000 MT .

Executive Summary:

Jordan's domestic production of cereals is negligible. Total Wheat imports for MY 2012/2013 is 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 with a lower U.S. market share due to prices rise, and rice imports 140,000 MT with a lower U.S. market share due to Egyptian competition.

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.

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

Trade:

In MY 2012/13 wheat imports are expected to remain at same level as MY 2011/2012. Wheat imports have been influenced by global market volatility and accelerating prices. Drought and increasing international prices were the motive for the Government of Jordan's (GoJ) 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 600,000 MT of wheat in MY 2012/13 .

Currently only 50,000 MT of U.S. wheat was imported from US in MY2012/13 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: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\$400 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.

Marketing:GoJ through Ministry of Industry and Trade (MIT) is dominating the import market, the subsidy system of the main product of wheat" the bread" makes it infeasible to private sector to trade the commodity in the local market.

Production, Supply and Demand Data Statistics:

Wheat Jordan	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jul 2010		Market Year Begin: Jul 2011		Market Year Begin: Jul 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	21	15	20	15	20	15
Beginning Stocks	523	523	639	403	548	505

Production	33	15	25	17	25	15
MY Imports	937	600	761	800	850	800
TY Imports	937	600	761	800	850	800
TY Imp. from U.S.	511	400	50	0	0	100
Total Supply	1,493	1,138	1,425	1,220	1,423	1,320
MY Exports	14	0	12	0	10	0
TY Exports	14	0	12	0	10	0
Feed and Residual	15	15	15	15	15	15
FSI Consumption	825	720	850	700	850	755
Total Consumption	840	735	865	715	865	770
Ending Stocks	639	403	548	505	548	550
Total Distribution	1,493	1,138	1,425	1,220	1,423	1,320
1000 HA, 1000 MT, MT/HA						

Author Defined:

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 250,000 MT in silos, on sea and at port. this amount is sufficient for 6 months consumption.

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.

Production, Supply and Demand Data Statistics:

Barley Jordan	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jul 2010		Market Year Begin: Jul 2011		Market Year Begin: May 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	20	30	20	30	30	30
Beginning Stocks	193	193	270	203	280	250
Production	11	15	10	15	15	15
MY Imports	566	500	700	532	500	500
TY Imports	550	500	700	532	500	500
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	770	708	980	750	795	765
MY Exports	0	5	0	0	0	0

TY Exports	0	5	0	0	0	0
Feed and Residual	500	500	700		500	
FSI Consumption	0		0	500	0	525
Total Consumption	500	500	700	500	500	525
Ending Stocks	270	203	280	250	295	240
Total Distribution	770	708	980	750	795	765
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 2 billion.

In MY2012/3, corn imports are expected to stay steady due to increase on prices, 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.

Stocks: A small amount is kept for a stock.

Policy: No restrictions on corn trade in Jordan, specifications of corn is similar to U.S. standards.

Marketing:

Production, Supply and Demand Data Statistics:

Corn Jordan	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2	1	1	1	1	1
Beginning Stocks	27	27	35	50	45	26
Production	29	2	20	1	20	1
MY Imports	373	525	400	450	400	500
TY Imports	373	525	400	450	400	500
TY Imp. from U.S.	71	75	0	65	0	75
Total Supply	429	554	455	501	465	527
MY Exports	9	0	0	0	0	0
TY Exports	9	0	0	0	0	
Feed and Residual	375		400		425	
FSI Consumption	10	504	10	475	10	477
Total Consumption	385	504	410	475	435	477
Ending Stocks	35	50	45	26	30	50

Total Distribution	429	554	455	501	465	527
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 decline in MY 2012/13. Egypt's ban lift on its domestic rice exports is expected to raise competition and to minimize the U.S. market share.

Other major rice suppliers are Thailand, India and Turkey.

Stocks:no sound stock is kept in stores.

Policy:No restrictions on rice trade in Jordan, specifications of rice is similar to U.S. standards.

Production, Supply and Demand Data Statistics:

Rice, Milled Jordan	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	10	10	15	15	15	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	0
MY Imports	140	135	140	140	145	140
TY Imports	140	135	140	140	145	140
TY Imp. from U.S.	73	83	0	75	0	50
Total Supply	150	145	155	155	160	155
MY Exports	0	1	0	1	0	1
TY Exports	0	1	0	1	0	1
Consumption and Residual	135	129	140	139	145	139
Ending Stocks	15	15	15	15	15	15
Total Distribution	150	145	155	155	160	155
1000 HA, 1000 MT, MT/HA						

