

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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**Date:**

**GAIN Report Number:**

## **Syria**

### **Grain and Feed Annual**

### **Grain and Feed Annual Report**

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**Report Highlights:**

Syria was an importer of wheat in 2010/11 due to drought and the yellow rust infestation in spring 2010. However, no yellow rust has been detected in this year's crop and production is forecast at 4 MMT. Syria imported milling wheat from the United States for the first time in 30 years. Barley imports were high due to the drought too. Corn imports continue to grow, and are forecast to exceed 2.0 million tons in 2011/12. The U.S. is back to its former position as the major supplier of corn to Syria. Rice imports are forecast to grow in line with demand growth as a result of expanding population. Imports of American rice are increasing.

## **Executive Summary:**

### Wheat

Wheat production in 2010/11 is estimated by the Ministry of Agriculture and Agrarian Reform at 3.3 – 3.6 million tons. The crop could have been bigger except for the drought that hit North-East Syria in spring 2010 and the yellow rust problem that started in March 2010 and badly hit soft wheat varieties. It is still early to give a good forecast for 2011/12 crop that could range from 3.5 - 4.0 million tons depending on rainfall amount and distribution, especially during the last part of the growing season in April and May. Yellow rust, so far, is reported to not be a problem for the 2011/12 crop. Consumption is growing due to the increase in population as well as the presence of over one million Iraqis in Syria. Imports are estimated to be high, mainly coming from Europe. The United States started wheat exports to Syria for the first time in 30 years. The General Establishment for Cereal Processing and Trade (HOBBOB) maintains more than one-year milling requirement to eliminate the need for imports in case of a bad crop year. In order to boost wheat production under irrigation, the Ministry of Agriculture permitted farmers to exceed planned areas under irrigation at the expense of other crops, mainly cotton and sugar beets. The government promised to increase the profit margin given to wheat producers to 35 percent to further encourage wheat production.

### Barley

Barley production was most affected by the drought. Imports are estimated to be high due to limited domestic fodder supplies. Europe and Australia are the dominant barley suppliers. The 2011/12 crop may be below average due to the low rain fall situation in North and East Syria where most of the barley is grown under rainfed conditions.

### Corn

Corn is the most important feed commodity, and demand for it is increasing. With insignificant local production and continued growth in demand, particularly from the poultry industry, corn imports are forecast to exceed 2.0 million tons in 2011/12. The U.S. is expected to be the major supplier of corn to Syria. Turkey has started to be a significant supplier for corn to Syria.

### Rice

Rice consumption is increasing moderately in line with population growth, and imports are forecast to exceed 300,000 tons in 2011. Egypt as well as the United States, Pakistan, Italy, Thailand and Spain are the main suppliers of rice. Traditionally, most of the rice imports used to come from Egypt. Retail prices for rice continue to be very high.

**Commodities:**

Wheat

**Production:**

Wheat production in 2010/11 is estimated by the Syrian Ministry of Agriculture and Agrarian Reform at 3.3 - 3.6 million tons. The crop did not reach the production target mainly due to the drought in North East Syria as well as the yellow rust problem that hit this part of the world in spring of 2010. The weather conditions were abnormal and the crop matured in early May, about 4-6 weeks before normal maturity time in Mid-June. The yield was significantly below average. Planted area was reported at 1.7 million hectares. After the yellow rust problem was evident in spring 2010, some farmers ploughed the fields and shifted the irrigated land to other crops. The General Establishment for Cereal Processing and Trade (HOBBOB) and the General Company for Seed Multiplication bought about 2.6 million tons from the 2010/11 crop. For the 2011/12 crop, rains through January 2011 were below last year's level in North, East, and South Syria. The government extended the planting time for wheat up to the end of January and encouraged wheat production in irrigated areas by permitting shifting some of the irrigated land devoted to other strategic crops such as cotton and sugar beets to wheat. The government also promised wheat producers to increase their profit margin to 35 percent. That means that the government plans to further increase procurement prices for wheat. By the end of January 2011, about 1.5 million hectares of land were planted to wheat, as compared to 1.66 million hectares planned. Most of the reduction came in rainfed land that did not get enough rain to start the crop by late January. Rainfall during the critical grain filling stage of March-May, and weather conditions during the latter part of the growing season, will be key determinants of the final size of the crop. Reports indicate that yellow rust is not a problem in the 2011/12 crop. A preliminary estimate of 3.5-4.0 million tons may be reasonable.

**Consumption:**

Consumption is estimated to grow with the 2.5 percent increase in population. Wheat is mainly used for milling into flour for bread production. Smaller quantities are used for bulgur production, and lower quality wheat is used for animal feeding. Approximately 250,000 – 300,000 tons of wheat are expected to be used for planting next season's crop. Bread consumption is increasing due to the increase in population as well as the increase in prices of other food items. Available milling capacity greatly exceeds the milling requirement for the country. The General Company for Mills, under the Ministry of Economy and Trade, is planning to increase its milling capacity to reduce reliance on private sector mills.

**Trade:**

| <b>Import Trade Matrix</b> |             |              |                |
|----------------------------|-------------|--------------|----------------|
| <b>Syria</b>               |             |              |                |
| <b>Wheat</b>               |             |              |                |
| <b>Time Period</b>         | <b>CY</b>   | <b>Units</b> | <b>1000 MT</b> |
| Imports for:               | <b>2009</b> |              | <b>2010</b>    |
| U.S.                       | 0           | U.S.         | 30             |
| Others                     |             | Others       |                |
| Ukraine                    | 320         | Ukraine      | 300            |
| Russia                     | 1042        | Russia       | 300            |
| Turkey                     | 43          | Turkey       | 100            |
| Lebanon                    | 99          | France       | 50             |
| Germany                    | 52          | Germany      | 50             |
| France                     | 10          |              |                |
| <b>Total for Others</b>    | <b>1566</b> |              | <b>800</b>     |
| <b>Others not Listed</b>   | <b>94</b>   |              | <b>370</b>     |
| <b>Grand Total</b>         | <b>1660</b> |              | <b>1200</b>    |

\*Trade data are published on a calendar year basis. Trade data for 2009 are based on Foreign Trade Statistics.

Exports have stopped for the last few years due to the relatively low stock levels kept by HOBOOB. This situation is expected to continue through 2011. Imports in 2010/11 are estimated to be a high due to the fact that imported wheat prices are expected to be significantly below the prices set by the Ministry of Economy and Trade to sell local wheat from HOBOOB at 27,000 SP (574 dollars) per MT of hard durum wheat and 26,500 SP (564 dollars) per MT of soft milling wheat.

The private sector imported large quantities of milling wheat and hard wheat for the pasta industry. Some of this wheat comes from France and Germany. However, most imports are sourced from Eastern European origin due to relatively cheaper wheat prices compared to local wheat prices and low freight cost. Press reported refusal of many ship loads for the private sector due to the presence of fungi and weed seeds. Detailed trade data for 2010 are not yet available. However, private sector sources report imports of significant quantities of semolina for the pasta industry and bulgur (cracked wheat) mainly from Turkey at prices below the cost of production of similar products in Syria.

**Stocks:**

Most wheat stocks are held by HOBOOB, which seeks to keep stocks (as a national reserve) at levels exceeding Syria's annual milling requirement. The private sector maintains some stocks for its use and for seeding the next crop. The stock situation improved with significant imports in 2009, mainly by the private sector. Stocks kept by HOBOOB are stored in concrete silos, metal silos, as well as in open

storage facilities. The General Company for Silo reports silo storage capacity at 3.5 million tons that will increase further in 2011.

**Policy:**

In a measure to encourage farmers to increase wheat production, the government permitted the farmers to plant more wheat under irrigation at the expense of other strategic crops that compete with wheat for irrigated areas, mainly cotton and sugar beets. The government promised to raise the profit margin given to wheat producers to 35 percent (as compared to 20 percent in the past). This means that the procurement prices for locally produced wheat will be increased further in 2011, over the current levels of 20,000 SP (425 dollars) per metric ton of soft milling wheat and 20,500 SP (436 dollars)/MT of hard Durum wheat. The expected new prices will be too high as compared to the international wheat prices nowadays. This should encourage increasing wheat production in irrigated areas and will eventually help HOBBOB to buy as much as possible from the local crop in 2011.

Customs duties on wheat imports are one percent. Syria will continue to rely on local wheat production and the private sector will import significant quantities for running its mills. Permitting imports of wheat and flour for further processing is expected to continue in the future. Syria is expanding concrete silo storage capacity with the operation of two new silos in 2011. Concrete silos are owned and managed by the General Company for Silos, under the Ministry of Economy and Trade and are mainly used for storing wheat. The private sector has been permitted to establish metal silos. These silos will be used for storing imported grains, mainly corn, wheat, barley, and soybeans.

**Marketing:**

Syria used to be self-sufficient in wheat production for many years. Wheat and wheat flour imports by the private sector have significantly increased. Most of the imports come from nearby sources, mainly the Black Sea countries, due to relatively cheap prices and low freight cost. Some ship loads of American wheat are being refused due to the presence of ergot in the imported wheat. Syrian specifications provide zero tolerance for ergot. If the ergot level issue can be resolved, Syria will be a good market for U.S. wheat in the foreseeable future.

## Production, Supply and Demand Data Statistics:

| Wheat Syria        | 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     | 1,500                       | 1,500    | 1,350                       | 1,350    |                             | 1,500    |
| Beginning Stocks   | 2,713                       | 2,713    | 3,849                       | 3,163    |                             | 3,063    |
| Production         | 4,000                       | 3,700    | 3,600                       | 3,600    |                             | 4,000    |
| MY Imports         | 1,886                       | 1,500    | 1,200                       | 1,200    |                             | 1,000    |
| TY Imports         | 1,886                       | 1,500    | 1,200                       | 1,200    |                             | 1,000    |
| TY Imp. from U.S.  | 0                           | 0        | 0                           | 100      |                             | 50       |
| Total Supply       | 8,599                       | 7,913    | 8,649                       | 7,963    |                             | 8,063    |
| MY Exports         | 0                           | 0        | 0                           | 0        |                             | 0        |
| TY Exports         | 0                           | 0        | 0                           | 0        |                             | 0        |
| Feed and Residual  | 400                         | 400      | 500                         | 400      |                             | 400      |
| FSI Consumption    | 4,350                       | 4,350    | 4,400                       | 4,500    |                             | 4,700    |
| Total Consumption  | 4,750                       | 4,750    | 4,900                       | 4,900    |                             | 5,100    |
| Ending Stocks      | 3,849                       | 3,163    | 3,749                       | 3,063    |                             | 2,963    |
| Total Distribution | 8,599                       | 7,913    | 8,649                       | 7,963    |                             | 8,063    |
|                    |                             |          |                             |          |                             |          |
| 1000 HA, 1000 MT   |                             |          |                             |          |                             |          |

## Commodities:

Barley

### Production:

The 2010/11 barley crop is estimated by the Ministry of Agriculture and Agrarian Reform at approximately 700,000 – 750,000 metric tons. Planted area was planned at 1.4 million hectares. However, the drought that hit the crop in North-East Syria in spring of 2010 affected the crop and reduced harvested areas. Barley production area used to be exclusively rainfed. Governmental entities did not purchase any quantity from the 2010/11 crop, due to the presence of significant amounts of imported barley at the General Organization for Fodder. From rainfall levels prevailing through January 2011, the 2011/12 crop is forecast to be an average crop, about 800,000 MT. Final crop size will actually be determined by rainfall amount and distribution in March and April. Some farmers have shifted some irrigated areas to wheat due to the lucrative prices offered by HOBOOB. However, the imposed levy of 2000 Syrian pounds (44 dollars) per metric ton of imported barley did not much encourage farmers to plant barley. The seed is expensive and so are the cultivation costs. Farmers refused to sow the land unless there was enough moisture content to start the crop. Accordingly, planted areas are estimated at 1.0-1.2 million hectares only. The imposed levy did not achieve its target and the farmers are asking to abolish it.

**Consumption:**

In Syria, most barley is used for feeding sheep. The demand fluctuates from year to year depending on the availability of grass for sheep grazing. Demand increases during drought periods and during the winter months due to the lack of grass at that time. Syria requires about 1.5 million tons of barley per year for feed and seed use. Some of the barley requirements may be replaced by cheaper corn.

**Trade:**

| <b>Import Trade Matrix</b> |             |              |                |
|----------------------------|-------------|--------------|----------------|
| <b>Syria</b>               |             |              |                |
| <b>Barley</b>              |             |              |                |
| <b>Time Period</b>         | <b>CY</b>   | <b>Units</b> | <b>1000 MT</b> |
| Imports for                | <b>2009</b> |              | <b>2010</b>    |
| U.S.                       | 0           | U.S.         | 0              |
| Others                     |             | Others       |                |
| Ukraine                    | 285         | Ukraine      | 300            |
| Russia                     | 97          | Russia       | 300            |
| Australia                  | 82          | Turkey       | 100            |
| France                     | 28          |              |                |
| Moldova                    | 16          |              |                |
| Turkey                     | 10          |              |                |
| <b>Total for Others</b>    | <b>518</b>  |              | <b>700</b>     |
| <b>Others not Listed</b>   | <b>182</b>  |              | <b>200</b>     |
| <b>Grand Total</b>         | <b>700</b>  |              | <b>900</b>     |

\*Trade data are published on a calendar year basis. Trade figures for 2009 are based on Statistical Abstract, Central Bureau of Statistics.

Imports in 2010/11 are forecast to be close to 750,000 tons due to the drought. Most imports are expected to continue to be sourced from Eastern Europe due to lower prices in these countries and low freight cost. Many shiploads were refused in 2010 due to fungal infestation or the presence of weed seeds. No barley exports are reported and none are expected next year.

**Stocks:**

The GOF kept 300,000 – 400,000 MT of imported barley and was unable to sell it in the local market because it was purchased when the international barley prices were very high. Most of these stocks were consumed in 2010. The GOF announced in February 2011 that it will resume buying barley from farmers in 2011 to replenish its stocks. The GOF did not buy any barley from the farmers in 2010. The buying price is expected to be announced before the crop is harvested in May. The private sector continues to import large quantities of barley from the Black Sea area and sell it to the local sheep herd owners.

**Policy:**

The GOF kept 300,000 – 400,000 MT of imported barley and was unable to sell it in the local market because it was purchased when the international barley prices were very high. Most of these stocks were consumed in 2010. The GOF announced in February 2011 that it will resume buying barley from farmers in 2011 to replenish its stocks. The GOF did not buy any barley from the farmers in 2010. The buying price is expected to be announced before the crop is harvested in May. The private sector continues to import large quantities of barley from the Black Sea area and sell it to the local sheep herd owners.

**Marketing:**

Syrian importers rely on Eastern European sources for barley, mainly Ukraine, Russia, and Turkey. This is due to the competitive landed prices as well as these sources' ability to ship small quantities (about 5,000 MT per shipment). Bigger shipments (35,000 MT per shipment) were reported by the traders when the prices go down significantly. Temporary prohibition of barley exports from some sources in the Black Sea area forced importers to look for other origins. Price considerations and freight cost have prevented Syrian importers from importing barley from the United States. The levy imposed on barley imports excluded barley imports from Arab countries and Turkey. This will give a big opportunity to Turkish exporters to sell their surplus barley in 2011 to Syria.

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

| Barley Syria       | 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     | 1,000                       | 1,000    | 1,430                       | 1,000    |                             | 1,000    |
| Beginning Stocks   | 468                         | 468      | 418                         | 568      |                             | 568      |
| Production         | 850                         | 850      | 1,675                       | 750      |                             | 800      |
| MY Imports         | 250                         | 750      | 300                         | 750      |                             | 800      |
| TY Imports         | 250                         | 750      | 800                         | 750      |                             | 800      |
| TY Imp. from U.S.  | 0                           | 0        | 0                           | 0        |                             | 0        |
| Total Supply       | 1,568                       | 2,068    | 2,393                       | 2,068    |                             | 2,168    |
| MY Exports         | 0                           | 0        | 0                           | 0        |                             | 0        |
| TY Exports         | 0                           | 0        | 0                           | 0        |                             | 0        |
| Feed and Residual  | 900                         | 1,200    | 1,200                       | 1,200    |                             | 1,300    |
| FSI Consumption    | 250                         | 300      | 250                         | 300      |                             | 300      |
| Total Consumption  | 1,150                       | 1,500    | 1,450                       | 1,500    |                             | 1,600    |
| Ending Stocks      | 418                         | 568      | 943                         | 568      |                             | 568      |
| Total Distribution | 1,568                       | 2,068    | 2,393                       | 2,068    |                             | 2,168    |
|                    |                             |          |                             |          |                             |          |

1000 HA, 1000 MT

**Commodities:**

## Corn

### **Production:**

Most of the planted corn is hybrid short-season corn planted after wheat in irrigated areas. Locally harvested corn has high moisture content, sometimes approaching 30 percent, so it has to be dried to bring the moisture content down to 14 percent before the corn can be stored. The procurement price was set at 17 SP/KG (362 dollars/MT) significantly above international prices for corn. This did not encourage farmers to sow more land in areas where irrigation water is ample, such as the Raqqa province in North-East Syria in 2010. Imported corn is selling now for about 16 Syrian pounds/KG (USD 340 per metric ton) in the local market. However, the size of the local crop is insignificant, not exceeding 8 percent of the total requirement for corn. The imposed levy of 1000 SP/MT (21.2 dollars/MT) for imported corn increased prices of imported corn in the local market, but did not encourage more production of corn. Poultry farm owners are demanding that this levy be abolished because they are currently selling their products at prices close to or even below the cost of production due to problems they are facing in exporting their surplus products, especially table eggs to Iraq.

### **Consumption:**

A small portion of the local crop is used for human consumption and is sold as "corn on the cob". Corn is also used for the production of starch or sown as seed. The demand for corn for starch and glucose production will increase with the operation of a new factory in 2011. However, the government's plan to increase fuel oil prices by 53 percent in April 2011 may have a negative effect on this industry that consumes 500,000 MT of imported corn per year, mostly of U.S. origin. Most corn, however, is used for animal feed, in particular for poultry. Poultry production fluctuates from season to season due to the lack of proper slaughter, cooling, packaging, storage facilities, and export markets. Consumption of corn is increasing in general in Syria, which requires over 1.2 million metric tons per year for the poultry sector. Other farm raised animals require smaller quantities.

**Trade:**

| <b>Import Trade Matrix<br/>Syria<br/>Corn</b> |             |               |                |
|---|-------------|---------------|----------------|
| <b>Time Period</b>                            | <b>CY</b>   | <b>Units:</b> | <b>1000 MT</b> |
| Imports for                                   | <b>2009</b> |               | <b>2010</b>    |
| U.S.  | 510         | U.S.          | 1500           |
| Others  |             | Others        |                |
| Argentina                                     | 24          | Argentina     | 100            |
| Turkey  | 256         | Turkey        | 200            |
| Ukraine                                       | 840         | Russia        | 100            |
| Moldova                                       | 17          | Ukraine       | 100            |
| Russia  | 94          |               |                |
| Serbia  | 12          |               |                |
| <b>Total for Others</b>                       | <b>1243</b> |               | <b>500</b>     |
| <b>Others not Listed</b>                      | <b>174</b>  |               | <b>100</b>     |
| <b>Grand Total</b>                            | <b>1927</b> |               | <b>2100</b>    |

\*Trade data are published on a calendar year basis, figures for CY 2009 are obtained from Official Trade Statistics, Central Bureau of Statistics.

Imports are forecast to increase further in 2010/11. Most of the imports are expected to come from the United States. Turkey emerged as new supplier of corn for the Syrian market in 2009 and 2010. The private sector has established grain silos to store imported corn, adding flexibility and reducing storage and handling costs.

The United States is forecast to continue to be the major supplier of corn on the long run. Argentina is no longer the main competitor. Turkey, and other East European countries were selling corn importers at competitive prices in the past. With competitive corn prices in the United States now, importers prefer to buy American corn, especially for the expanding starch and glucose industries. Waiving the levy on imports of corn from Turkey provides Turkish suppliers with an advantage over other suppliers.

Customs duties on corn imports are set at one percent. An import permit from the Ministry of Economy and Trade is required. This is obtained after the approval of the Ministry of Agriculture and Agrarian Reform.

**Stocks:**

The public sector keeps relatively small quantities of corn for its use in public sector poultry and dairy farms. However, the private trade usually keeps quantities for two months for feed and as a raw material for the starch and glucose industry. A stock level of 400,000 tons would be sufficient to provide for the consumption requirement of about two months.

**Policy:** Syrian Ministry of Agriculture would like to increase corn production but irrigation water is a limiting factor.

**Marketing:** The United States is expected to remain the major supplier of about 80 percent of Syria's requirements in the foreseeable future.

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

| Corn Syria         | 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     | 60                          | 42       | 60                          | 40       |                             | 40       |
| Beginning Stocks   | 308                         | 308      | 458                         | 433      |                             | 458      |
| Production         | 150                         | 125      | 150                         | 125      |                             | 125      |
| MY Imports         | 2,000                       | 2,000    | 2,000                       | 2,000    |                             | 2,200    |
| TY Imports         | 2,000                       | 2,000    | 2,000                       | 2,000    |                             | 2,200    |
| TY Imp. from U.S.  | 984                         | 1,000    | 0                           | 1,800    |                             | 1,900    |
| Total Supply       | 2,458                       | 2,433    | 2,608                       | 2,558    |                             | 2,783    |
| MY Exports         | 0                           | 0        | 0                           | 0        |                             | 0        |
| TY Exports         | 0                           | 0        | 0                           | 0        |                             | 0        |
| Feed and Residual  | 1,600                       | 1,600    | 1,600                       | 1,600    |                             | 1,700    |
| FSI Consumption    | 400                         | 400      | 500                         | 500      |                             | 600      |
| Total Consumption  | 2,000                       | 2,000    | 2,100                       | 2,100    |                             | 2,300    |
| Ending Stocks      | 458                         | 433      | 508                         | 458      |                             | 483      |
| Total Distribution | 2,458                       | 2,433    | 2,608                       | 2,558    |                             | 2,783    |
|                    |                             |          |                             |          |                             |          |
| 1000 HA, 1000 MT   |                             |          |                             |          |                             |          |

**Commodities:**

Rice, Milled

**Production:**

Rice is not produced in Syria. All of the country's requirements are met through imports.

**Consumption:**

In Syria, rice consumption is estimated to be increasing in general due to the increase in population and the presence of over one million Iraqis in Syria. Each Syrian is entitled to 0.75 kilogram of rice per month at 10 SP (21 cents) per kilogram under the GOS ration card system. There was a delay in distribution of the rationed rice due to the delay in imports after Egypt banned rice exports in 2008 and early 2009. This created additional demand for rice in the free market and prices doubled. The high price level continued in the local market in 2010. Traders had to look for other rice suppliers to supply the local market demand.

**Trade:**

| <b>Import Trade Matrix<br/>Syria<br/>Rice, Milled</b> |             |           |             |
|---|-------------|-----------|-------------|
| Time Period   | CY          | Units     | 1000 MT     |
| Imports for:  | <b>2009</b> |           | <b>2010</b> |
| U.S.  | 16          | U.S.      | 16          |
| Others  |             | Others    |             |
| Egypt   | 148         | Egypt     | 150         |
| Thailand  | 9           | Thailand  | 50          |
| India   | 12          | Australia | 5           |
| Vietnam   | 10          | Pakistan  | 5           |
| Spain   | 3           | Spain     | 5           |
| Pakistan  | 9           | Italy     | 5           |
| China   | 5           | Vietnam   | 10          |
| <b>Total for Others</b>                               | <b>196</b>  |           | <b>230</b>  |
| <b>Others not Listed</b>                              | <b>38</b>   |           | <b>44</b>   |
| <b>Grand Total</b>                                    | <b>250</b>  |           | <b>300</b>  |

\*Trade data are published on a calendar year basis. Total trade data for 2009 is based on Statistical Abstract, Central Bureau of Statistics.

The Syrian consumers like Egyptian rice due to price factors and reasonable quality. As with consumption, imports are forecast to grow in general, taking into consideration the increase in population and the presence of over one million Iraqis. Since Syria does not plan to produce rice in the future, all rice requirements will be imported. Egypt, Thailand, Australia, Italy, Pakistan, Spain, and the United States are traditional suppliers. India and Vietnam have recently emerged as small suppliers. U.S. rice exports are increasing due to the good quality and prices. Customs duties on rice imports were reduced from three percent to one percent in February 2011.

**Stocks:**The Syrian government keeps some stocks for distribution by the ration card. The private sector keeps the larger amount. Stocks are expected to be sufficient for about two months, about 50,000 metric tons.

**Policy:**The Syrian government would like to import large quantities of rice, about 12000 MT per month at reasonable prices for distribution by the ration card system. However, the private sector is actually importing the majority of the country's requirement.

**Marketing:**

Syrian consumers generally prefer medium grain rice from the United States, Australia, Italy, and Egypt to long grain rice from Thailand and short grain rice from Vietnam. However, the limited purchasing power of the average Syrian influences the decision to seek out cheaper sources of rice. As a result, higher quality rice, such as parboiled rice, has a very limited market in Syria.

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

| Rice, Milled Syria | 2009/2010                   | 2010/2011                   | 2011/2012                   |
|--------------------|-----------------------------|-----------------------------|-----------------------------|
|                    | Market Year Begin: Jan 2010 | Market Year Begin: Jan 2011 | Market Year Begin: Jan 2011 |

|                          | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
|--------------------------|---------------|----------|---------------|----------|---------------|----------|
| Area Harvested           | 0             | 0        | 0             | 0        |               | 0        |
| Beginning Stocks         | 35            | 35       | 85            | 35       |               | 75       |
| Milled Production        | 0             | 0        | 0             | 0        |               | 0        |
| Rough Production         | 0             | 0        | 0             | 0        |               | 0        |
| Milling Rate (.9999)     | 0             | 0        | 0             | 0        |               | 0        |
| MY Imports               | 350           | 300      | 350           | 350      |               | 350      |
| TY Imports               | 350           | 300      | 350           | 350      |               | 350      |
| TY Imp. from U.S.        | 0             | 16       | 0             | 20       |               | 25       |
| Total Supply             | 385           | 335      | 435           | 385      |               | 425      |
| MY Exports               | 0             | 0        | 0             | 0        |               | 0        |
| TY Exports               | 0             | 0        | 0             | 0        |               | 0        |
| Consumption and Residual | 300           | 300      | 310           | 310      |               | 320      |
| Ending Stocks            | 85            | 35       | 125           | 75       |               | 105      |
| Total Distribution       | 385           | 335      | 435           | 385      |               | 425      |
|                          |               |          |               |          |               |          |
| 1000 HA, 1000 MT         |               |          |               |          |               |          |