

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Jordan

**Post:** Amman

### Jordan Morsels-December 2016

**Report Categories:**

Agriculture in the News

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**Report Highlights:**

- Drop in Poultry and Egg Prices
- USAPEEC Promotional Activity
- Taxes, Recession, and Economic Reforms

## **General Information:**

### **Drop in Poultry and Egg Prices**

Poultry and egg prices reached unprecedented lows due to overproduction by the domestic industry. The overproduction is correlated with an increase in corn consumption, a primary input for poultry and egg producers, which jumped from 500,000 metric tons (MT) in 2015 to over 800,000 MT in 2016. Retail broiler prices are as low as \$1.00 per kilogram and eggs are as low as \$0.50 per dozen.

The Ministry of Agriculture (MOA) is trying unorthodox solutions to resolve the poultry crisis, seeking to augment exports of poultry and sheep to the Persian Gulf region. On November 13, 2016, Minister of Agriculture Khaled Hneifat met with Qatari Ambassador Bandar Al Attiyah to discuss the export of produce, sheep and poultry to Qatar. This is in addition to a technical team from the United Arab Emirates that recently concluded a visit to Jordan, finalizing audits to allow for imports of live poultry and eggs. Jordanian MOA officials expect that exports of sheep and live poultry to the UAE and Qatar will start within months.

### **USA Poultry and Egg Export Council Promotional Activity**

The USA Poultry and Egg Export Council (USAPEEC) participated in a culinary activity hosted by high-end food retailer Cozmo, to promote US poultry products through a series of live cooking demonstrations. A renowned Jordanian chef put together a world-class display to cook US chicken leg quarters, using traditional Jordanian and western recipes. The majority of the participants were end consumers, local homemakers and Cozmo shoppers. The invited chef gave demonstrations, provided tips on preparation, and fielded questions regarding on the recipes and ingredients. The marketing activity was supported by USAPEEC to promote US poultry exports.



### **Taxes, Recession, and Economic Reforms**

The Government of Jordan (GoJ) has repeatedly stated the need to reduce the public debt and balance the country's budget. Although it's not yet clear what measures the government will take, citizens are bracing themselves for taxes on water and electricity, as well as a reduction in benefits from the bread subsidy program. Due to the sensitivity of the bread subsidy program, many GoJ officials have reiterated that there will be no hike on bread prices. However, it is widely expected that a reform in the system would curtail the number of beneficiaries able to take advantage of subsidized bread.

During a meeting organized by the Amman Chamber of Commerce, Minister of Industry, Trade and Supply, Yarub Qudah, said the government will unify customs fees and sales tax in some sectors, but denied it would raise the price of bread. The minister noted that the economic situation in Jordan is not easy due to the turbulence in the region, which requires "an exceptional" stance by all sectors. The country is witnessing a slump in exports, which dropped 7.5 percent during early 2016, rising unemployment, and a slowdown in economic growth. Minister Qudah said that the government is tackling these issues and plans to offer financial and technical support to companies willing to export Jordanian products into foreign markets. The economic crisis is being heavily felt by Jordan's large retailers, who are claiming a drop in sales of 30-40 percent. The economic slowdown is only minimally impacting higher-end retailers.