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GAIN Report #JO9001

## **Jordan**

### **ATO ACTIVITIES reports**

### **DROUGHT IN JORDAN**

### **1999**

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#### **Report Highlights:**

Jordan is currently experiencing one of its worst droughts since the 1960s. The drought is expected to have a significant negative impact on crops and livestock production. The Jordanian government has requested wheat donations from the United States.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Cairo [EG1], JO

## **I - Drought**

With the 1998/99 rainfall season coming to a close, Jordan is currently experiencing one of its worst droughts since 1960s. The Jordanian government predicts that this season's total rainfall will be about 40 percent of the normal average. The drought is expected to have a significant negative impact on agricultural production in Jordan in the 1998/99 season. Almost all of the winter rain-fed crops have been severely damaged. The loss in grain production (wheat, barley etc.) is projected to be about 80 percent, fruit trees 50 percent, while the loss in the pasture areas to be close to 90 percent. The loss in animal production due to the drought is expected to be about 40 percent, and this will result in associated social and demographic costs.

The Jordanian Ministry of Agriculture (MOA) has prepared a preliminary report outlining the effects of the drought on field crops and livestock production. This report estimates that the total monetary loss from the decline in agricultural production at about 134 million Jordanian dinars (JD) or about \$190 million. The total loss in field crops is estimated to be JD 14.5 million, summer rainfed vegetables JD 25 million, fruit trees JD 43 million, ranges & feed JD 21.5 million and livestock production JD 30 million. The report includes some recommendations for the GOJ to mitigate the impact of the drought including setting up a fund to provide interest-free loans for livestock producers to buy animal feed and vet medicines, allowing the private sector to import animal feed all year around and contacting international agencies such as the FAO, WFP and other donors for food assistance.

## **II- Food and Animal Feed Situation**

Jordan's wheat production is normally very insignificant, estimated at about 50-60,000 MT per year. With the severe drought conditions this year, total wheat production is forecast to be about 25,000 MT. The Jordanian wheat import requirement is estimated at about 50,000 MT per month, or about 600,000 MT per year. At the present time, the GOJ carries wheat stocks of about 173,000 Mt. In February 1999, the U.S. government provided Jordan with 100,000 MT of wheat donation under Section 416 (b) program, 50,000 MT of which scheduled to be delivered in April and 50,000 MT in May, 1999. The GOJ is indicating that it will submit a request to the US for additional 200,000 MT of wheat under the 416 (b) program.

Following its decision in 1998 to eliminate the monetary subsidy given directly to bread consumers, the GOJ has set a reduced fixed price for bread at JD 0.14 per kg and effectively stopped issuing wheat import licences for private sector companies.

Jordan has no rice production and its requirements are estimated at 80,000 MT per year. Rice is imported freely into Jordan by the private sector and currently there are 10,000 MT available in government stocks. Jordan has very small barley production, estimated at 45,000 MT per year. With the drought conditions this year, total barley production is expected to be less than 8,000 MT. Total annual barley requirement is estimated at 600,000 MT, of which about 97,000 MT available in stocks. Although the private sector is allowed to import barley, the government has set a maximum price for selling barley to the livestock producers which made it

practically impossible to import barley by private sector companies at the current international prices. Since the beginning of 1999, the GOJ has been the sole importer and it has imported 100,000 MT from Sweden and another 100,000 MT from France. For the rest of 1999, it is estimated by the MOA that Jordan will need to import about 370,000 MT of corn, 140,000 MT soybean meal, 180,000 MT bran and 50,000 MT of feed concentrates.