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Report Highlights:

In MY2021/22 wheat imports are forecast to reach 1.2 MMT. Barley consumption is expected to increase to 810 TMT, as farmers build up their herds due to increase in demand of their prized Awasi sheep in the Gulf countries. U.S. corn and rice imports are forecast at 100,000 MT, 95,000 MT respectively, with U.S. rice as the leading supplier of the Jordanian market.

Executive Summary:
The Hashemite Kingdom of Jordan is among the poorest water resourced countries on earth. Water scarcity is the limiting factor of the country's ability to grow crops. As a result, Jordan's domestic production of cereals is negligible.

In MY2021/22 wheat imports are forecast to reach 1.2 MMT. Barley consumption is expected to increase to 810,000 MT, as farmers build up their herds due to increase in demand of their prized Awasi sheep in the Gulf countries. U.S. corn and rice imports are forecast at 100,000 MT and 95,000 MT respectively, with U.S. rice as the leading supplier of the Jordanian market.,
Jordan's wheat consumption is forecast to reach 875,000 metric tons (MT): wheat imports are not expected from the United States due to higher freight costs relative to other origins, especially the Black Sea Region. Barley consumption will increase to 750,000 MT from 700,000 MT in MY2020/21. The key suppliers of wheat and barley will be Black Sea sources, mainly Romania, Russia, and Ukraine.

In MY2021/22, corn imports are forecast to increase to 900,000 MT, with U.S. origin corn expected to supply 100,000 MT. Imports and consumption fluctuation is expected due to the COVID-19 market instability, and fears of shortage in feed and poultry.

Rice imports will amount to 210,000 MT, of which the U.S. will be the top supplier with 95,000 MT. U.S. industry's market development efforts continue to pay dividends.

Commodities:
Wheat

Production:
Production of wheat is negligible in Jordan. In MY2019/20, due to average rainfall, production is expected to slightly increase at 25,000 MT, providing close to one week of the country's annual consumption needs, and is expected to remain unchanged in MY2020/21 and MY2021/22.

Consumption:
In MY2021/22, FAS Amman forecasts consumption at 875,000 MT, unchanged from MY2020/21. This contrasts with previous years specifically MY 2013/2014 that witnessed an unprecedented growth in consumption due to the influx of Syrian refugees and an economic environment. Although a challenging economic environment endures, the refugee influx has ended, and some refugees have returned to Syria.

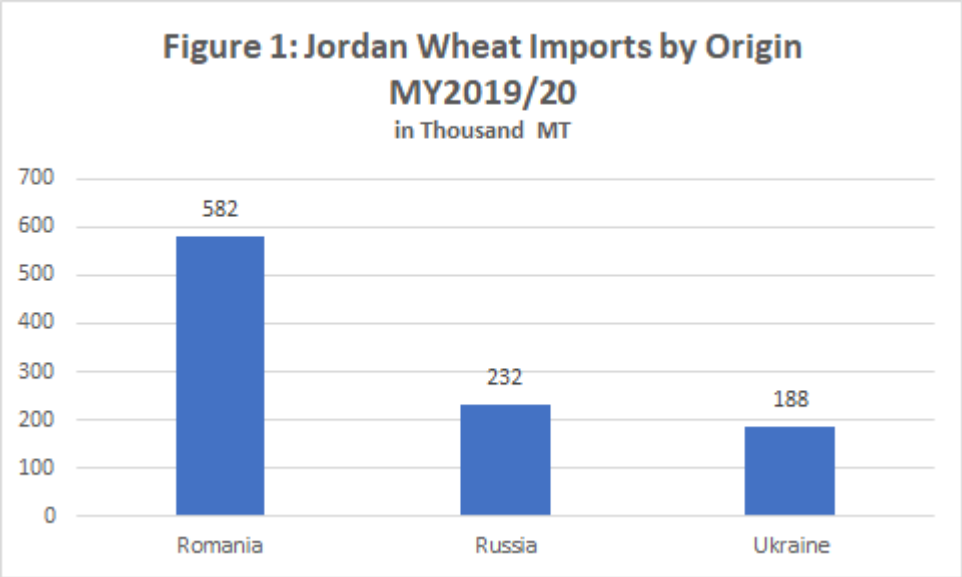
The earlier strong consumption growth is accurately reflected in the Government of Jordan (GOJ) 2015 census. In 2012, Jordan's population was 6.2 million with an annual consumption of 700,000 MT, increasing by approximately 500,000 MT (82 percent) by 2021, with a total population of 10.5 million people.
Syrian registered refugees are estimated at 600,000, with an additional 600,000 that are residing legally. In this period, the country also witnessed a significant influx of Egyptian, Libyan and Yemeni nationals enjoying stability in a turbulent region.

Trade:

In MY2021/22, wheat imports are expected to settle at 1.2 MMT, to meet the expansion in storage to fulfill the new GOJ policy to mitigate COVID-19 challenges, and market instability by building up reserves to at least one year's consumption.

The top wheat origin is expected to remain unchanged from MY2020/21 with Romania as the lead, followed by Russia and Ukraine. Jordan is not expected to import any wheat from the United States in MY2020/21.

In MY2021/22, any prevailing low international prices would prompt the GOJ to increase its wheat purchases in an attempt to hedge against future price increases.



Source: Jordan Department of Statistics (DoS)

Stock

In MY 2021/22, Post forecasts beginning stocks at 776 TMT, in addition to 120 TMT purchase. An inventory that is sufficient to meet close to two years of consumption, in line with the GOJ's policy. Jordan is building up a strategic inventory enough for two years to confront markets instability and COVID-19 turmoil.

The GOJ has finalized its project to expand local silo capacity at the new port in Aqaba; with a Panamax carrying capacity, where the new silos are located. An additional 300 TMT is currently constructed as bunker storage, a traditional storage method historically used for paddy rice. There is bunker storage in different parts of Jordan to meet the food security objectives, not only for Jordan but also to serve the region.

Policy:

Jordan's wheat bread, known as "unified bread" (in Arabic as *mowahad*), was fully subsidized by the government and all Jordanian citizens are entitled to it. The GOJ has reformed the subsidy system

to target benefits to low income families. The policy enabled the GOJ to improve the efficiency of the subsidy program.

The GOJ's Ministry of Industry, Trade and Supply (MIT) is the sole customer of wheat from international suppliers through a competitive process by the local representatives of international companies. The process would include purchasing the lowest price within the preset specifications. In many occasions MIT would turn down the purchase process whenever the technical staff is convinced the offered price is higher than the average market or that near future prices would be better.

On average, GOJ subsidized wheat at $70 per MT. The GOJ provides bakeries wheat flour extracted at a milling rate of 80 percent, at $300 per MT, sets the price to sell the *mowahad* bread at $.45 per kg (compared to $.22 per kg before the reforms). Whenever there is an increase in the cost of an input used for making bread, such as fuel, the GOJ lowers the flour price to compensate for the increase.

Marketing:

MIT is practically the sole wheat importer in Jordan and sells its wheat to mills at the government's set price, which is based on a moving average of the inventoried wheat's cost, including purchasing, storage, and transportation costs. The mills subsequently sell the flour to bakers under MIT's supervision. The reforms in the subsidy system closed gaps where bakers previously benefited by channeling the subsidized flour into other unsubsidized purposes. The reform has narrowed the gaps so that this practice is not feasible anymore.

The flour is sold to bakers at two prices: the all-purpose flour is sold at a market price, which is the markup cost on milling fees from the wheat sold by the government (at the beginning of 2021 at $315 per MT), and the subsidized flour is sold at a lower price that goes at $300 per MT. MIT lowers the price of the subsidized flour (for subsidized bread) in the case when there is an increase in the fuel price at a proportional rate (to make up on bakers for the average fuel price increase used in baking). The cost of the old subsidy system accounts for at least $100 million in losses due to the program's mismanagement and abuse. Subsidized bread still accounts for up to 90 percent of the country's total wheat consumption.

Production, Supply and Demand Data Statistics:

Wheat	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jul 2019		Jul 2020		Jul 2021	
Jordan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	20	30	20	30	0	30
Beginning Stocks (1000 MT)	371	371	370	436	0	776
Production (1000 MT)	25	25	24	25	0	25
MY Imports (1000 MT)	928	920	1500	1200	0	1200
TY Imports (1000 MT)	928	920	1500	1200	0	1200
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1324	1316	1894	1661	0	2001
MY Exports (1000 MT)	64	10	30	10	0	10
TY Exports (1000 MT)	64	10	30	10	0	10
Feed and Residual (1000 MT)	15	20	15	15	0	15
FSI Consumption (1000 MT)	875	850	1100	860	0	860
Total Consumption (1000 MT)	890	870	1115	875	0	875

Ending Stocks (1000 MT)	370	436	749	776	0	1116
Total Distribution (1000 MT)	1324	1316	1894	1661	0	2001
Yield (MT/HA)	1.25	0.8333	1.2	0.8333	0	0.8333
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Wheat begins in July for all countries.TY 2021/2022 = July 2021 - June 2022						

Commodities:

Barley

Production:

Production of barley is negligible. Most barley is used for animal grazing during its early growth stages.

Consumption:

Post expects barley consumption to increase in MY2021/22 to 810 TMT, an increase of 8 percent from Post's new forecast of 750 TMT in FY 2020/21, due to the regional political make up in the Gulf Cooperation Council (GCC) countries. Qatar was a major market for Jordanian Baladi sheep, when under the current embargo, due to regional political turmoil, even before COVI-19 crisis. It was not feasible to ship to Qatar through GCC countries specifically Saudi Arabia, which is the key market for the prized Awasi sheep. Jordan exports annually between 0.4 and 0.6 million head to that market, depending on the regional politics.

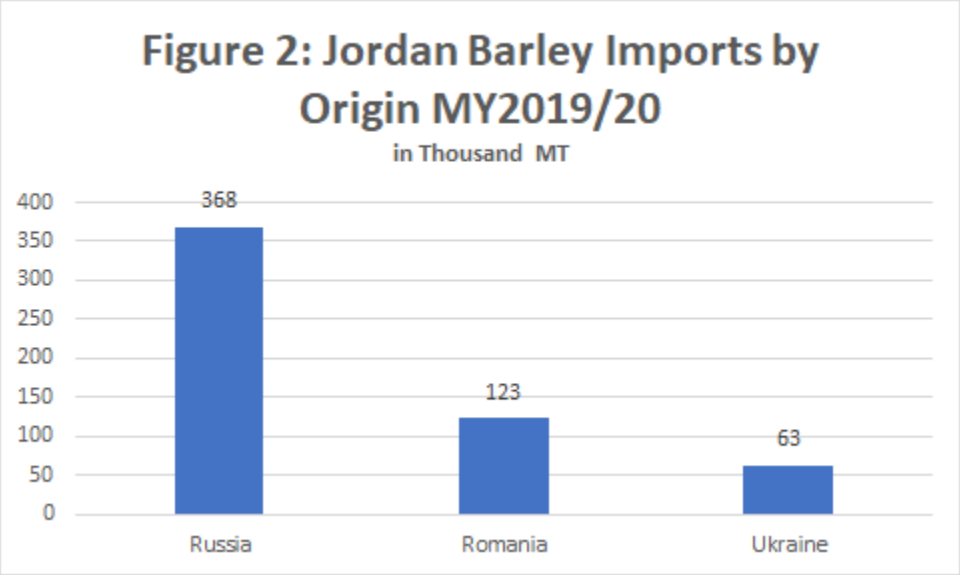
The local Awasi sheep are known for their exquisite palatability in the GCC countries and attract premium prices. Consequently, Jordan depends on lower priced imported sheep mainly from Australia, New Zealand, and Romania to meet its domestic needs.

Most of the barley is used for sheep feed and to a lesser extent in dairy cattle and poultry rations. Barley use has dropped significantly after the GOJ adopted an animal tag system 10 years ago. Each sheepherder receives subsidized barley according to the actual number of tagged animals. GoJ is subsidizing each MT of imported barley at $50.

Imports and consumption are expected to increase due to the increase in the regional demand of sheep meat. The drop in local demand due to economic hardship, which does not substantially affect the local Awasi high-end sheep meat, and Post has observed that many famers have started to build up their herds in the previous months.

Trade:

In MY2021/22, total barley imports are expected at 800 TMT, an increase of 14.3 percent from Post's forecast of 700 TMT in FY2020/21. The increase is a response to an expected rise in demand of Awasi sheep from local and foreign markets. Barley suppliers are Black Sea basin countries with Romania being the top supplier, followed by Russia and Ukraine (figure 2). No barley imports from the U.S. have been recorded for a decade.



Source: DoS

The GOJ is the main importer of barley and sets the selling price. Price is calculated as an average purchase price of different origins and delivery dates, plus storage and handling costs, and minus the subsidized discount, which is usually in the order of $50 per MT. The system allows for arbitrage when significant price swings occur, as traders can quickly take advantage and profit by offering a lower price than the government's set price, effectively undercutting the program, the percentage of that trade varies but usually less than 10% of the barley trade size..

Stocks:
In MY 2021/22, Post expects stability in GOJ's inventory as a government policy. Beginning stocks are expected to stay at 248,000 MT and end at 258,000, a 4 percent increase. This is more than double USDA's forecast of 114 TMT in MY2020/21. This is due to recent GOJ policies that aim to increase the inventory for food security reasons heightened by market volatility, especially price and freight costs fluctuations. Fluctuations are due to COVID-19 impacts on international markets that caused market volatility.

Barley's inventory volume is within the GOJ's policy of strategic stocks that requires meeting 10 months of consumption needs.

Policy:
Only sheep and goat owners receive subsidized barley at a discounted price. This program excludes cattle and poultry farmers from receiving subsidized barley as these two agricultural subsectors are considered industries. The GOJ animal tagging project has created a reliable database on all ruminant animals in Jordan, replacing the previous animal census.

Marketing:
The Ministry of Industry and Trade (MIT) is the predominant barley importer in Jordan. MIT solicits bids through traders that meet the stipulated standards. Once it purchases the barley, MIT distributes

and sells the barley at the subsidized price to herders based on the number of tagged animals that are recorded in the database.

Production, Supply and Demand Data Statistics:

Barley	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jul 2019		Jul 2020		Jul 2021	
Jordan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	25	25	25	25	0	25
Beginning Stocks (1000 MT)	208	208	94	278	0	248
Production (1000 MT)	20	20	20	20	0	20
MY Imports (1000 MT)	366	1100	700	700	0	800
TY Imports (1000 MT)	564	1100	700	700	0	800
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	594	1328	814	998	0	1068
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	500	1000	700	700	0	750
FSI Consumption (1000 MT)	0	50	0	50	0	60
Total Consumption (1000 MT)	500	1050	700	750	0	810
Ending Stocks (1000 MT)	94	278	114	248	0	258
Total Distribution (1000 MT)	594	1328	814	998	0	1068
Yield (MT/HA)	0.8	0.8	0.8	0.8	0	0.8

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Barley begins in October for all countries. TY 2021/2022 = October 2021 - September 2022

Commodities:
Corn

Production:
Jordan's corn production is negligible, with annual production totaling less than 10,000 MT. Domestically produced corn is mainly used for human consumption.

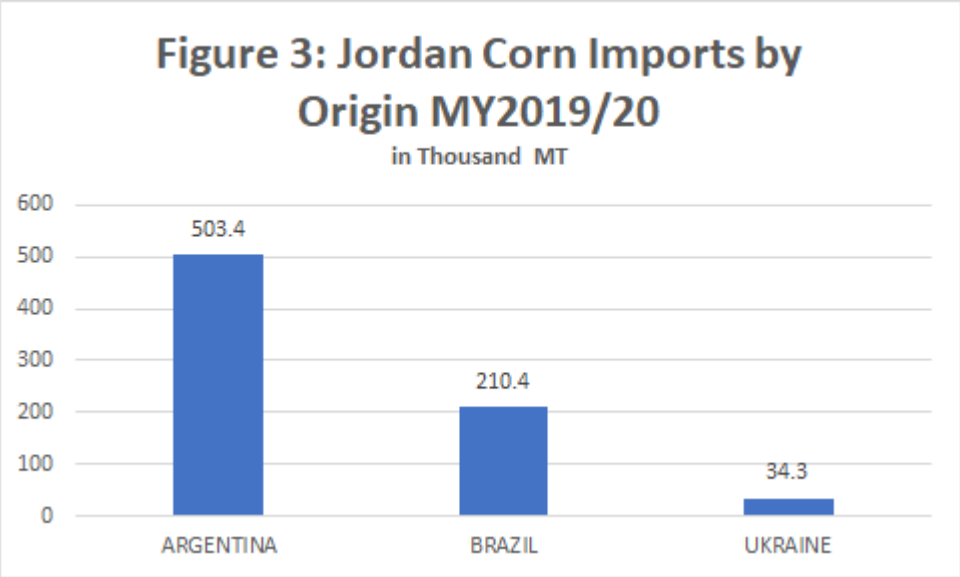
Consumption:
In MY 2021/22, corn consumption is forecast at 890 TMT, a small decrease from MY2020/21 consumption of 895 TMT The poultry industry is optimistic of the local demand outlook and is trying to meet local demand. The explosive growth has resulted in three consecutive years of oversupply of poultry with persistent low prices that put many small and medium farmers out of business.

Jordan's poultry industry is considered the biggest agri-business sector, with an investment value of around $4 billion. Local broiler production is currently around 200 TMT per year, while egg production increased more than 60 percent over the last two years, currently producing almost a billion eggs.

Trade:
In MY 2021/22 imports are expected at 900 TMT, the same as

In MY2021/22, U.S. origin corn imports are expected at 100,000 MT after being absent from the market for the last three years. The expected increase in imports of U.S. corn is due to relaxation of broken kernel percentages, which has been incentivized by the shortage of supply.

The market is still dominated by Argentina and Brazil, supplying 90 percent of all imports, with the United States being outside the market for the last three years (figure 3). The Jordan-U.S. Free Trade Agreement no longer provides an advantage for U.S. corn, as all imported corn is exempt from tariffs. Additionally, Argentine and Brazilian importers are more versatile, accommodating shipments of 10,000-15,000 MT that the market requires.



Source: DoS

Stock
Only a nominal amount of corn is stored on-farm by poultry farmers to meet their monthly needs as no adequate storage system has been developed in Jordan. The latter is the reason why traders prefer to source small shipments of 10,000-15,000 MT.

Policy:
There are no restrictions on corn trade in Jordan, and specifications for corn are similar to U.S. standards. Issues that have arisen in the past are regarding excessive broken kernels. Consignments that test above 7.5 percent for broken may face rejections, although the GoJ is sending signals of easing this

condition. This is also the case with corn that exceeds the established maximum residue limits for aflatoxins, which are equivalent to U.S. standards.

Marketing:
Corn in Jordan is imported and distributed through private sector,
traders who usually unload corn directly to trucks that deliver it immediately to dairy and poultry farms.

Production, Supply and Demand Data Statistics:

Corn	2019/2020		2020/2021		2021/2022	
Market Year Begins	Oct 2019		Oct 2020		Oct 2021	
Jordan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1	1	1	1	0	1
Beginning Stocks (1000 MT)	10	10	62	20	0	15
Production (1000 MT)	10	10	10	10	0	10
MY Imports (1000 MT)	942	810	1000	900	0	900
TY Imports (1000 MT)	942	810	1000	900	0	900
TY Imp. from U.S. (1000 MT)	0	0	0	100	0	100
Total Supply (1000 MT)	962	830	1072	930	0	925
MY Exports (1000 MT)	20	20	20	20	0	20
TY Exports (1000 MT)	20	20	20	20	0	20
Feed and Residual (1000 MT)	870	785	1000	890	0	885
FSI Consumption (1000 MT)	10	5	10	5	0	5
Total Consumption (1000 MT)	880	790	1010	895	0	890
Ending Stocks (1000 MT)	62	20	42	15	0	15
Total Distribution (1000 MT)	962	830	1072	930	0	925
Yield (MT/HA)	10	0	10	10	0	10

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2021/2022 = October 2021 - September 2022

Commodities:
Rice, Milled

Production:
Being one of the driest countries in the world, Jordan does not produce rice at all due to the crop's high water demands.

Consumption:

MY MY2021/22 consumption is expected to stay 210,000 MT similar to MY 2020/21.

Rice is a staple of the Jordanian diet and is widely used in one of the country's traditional dishes called "Mansef." Jordan has an average annual consumption of about 24 kg of rice per person. The preferred variety is medium grain (Camolino), which constitutes over 50 percent of imports, followed by long grain white rice, and basmati and jasmine rice. The consumption of rice usually goes up during parliamentary elections, as contestants tend to sponsor big feasts of Mansaf to lure their constituents.

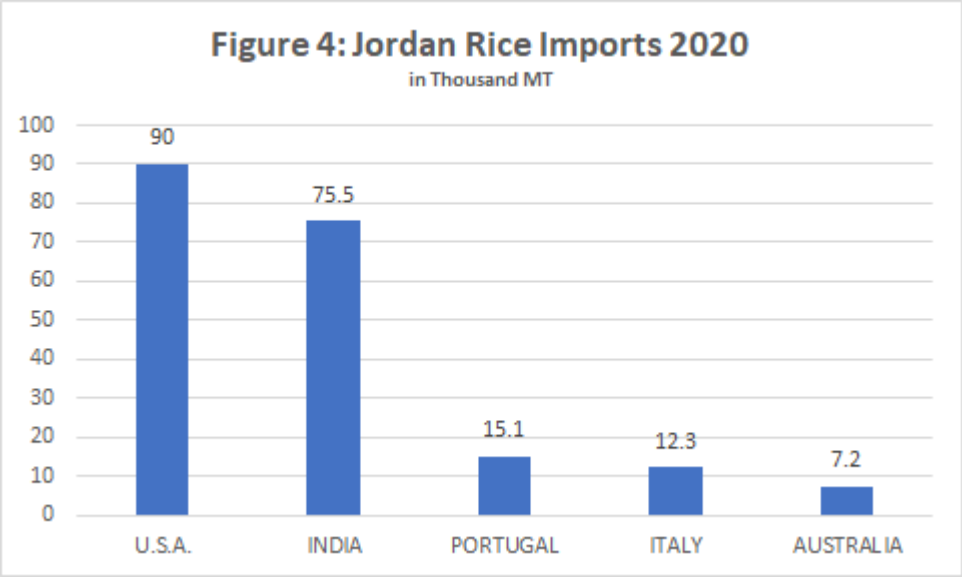
Cook off with chef Anas

Billboard promotion of US rice

Trade:
In MY2021/22, imports are expected to remain at 210,000 MT, unchanged from MY2020/21. U.S. market share for rice is expected to remain steady at nearly 45 percent, supplying 95,000 MT. Indian rice is taking market share from all suppliers due to price competitiveness, as COVID-19 has created more economic pressure on Jordanian families and consumers. Consumption does fluctuate due to economic situation, rice is a bit expensive compared of alternative commodities, that is why the elasticity of demand and consumption is relatively not linear.

Although the price is relatively higher, the U.S. industry's market development efforts have paid off, generating loyalty among Jordanian consumers who have developed a strong preference for U.S. origin rice. This loyalty was demonstrated when a very low percentage of the market share was lost to Indian rice under difficult economic circumstances.

Major rice suppliers include India, whose market share has doubled during the last few years. Others include Italy, Australia and Portugal (figure 4). Most Asian rice is long grain that falls into two categories. The first is long grain white rice, which is of lower price and constitutes most of the Asian imports. The second category is the aromatic and basmati rice that commands a premium over the medium rice; however, it is less preferred in local recipes. The long grain market share has grown from less than 25 to almost 30 percent over the last five years.



Source: DoS

Stocks:
Since rice trade is done by the private sector and there is no government policy on strategic stocks for this commodity, minimal stocks are maintained for this commodity.

Policy:
There are no restrictions on rice trade in Jordan, and specifications are similar to U.S. standards. Since the import duty on rice is zero for all origins, there are no advantages offered by the U.S.-Jordan Free Trade Agreement.

Marketing:
Rice in Jordan is imported and distributed through private sector traders that package and provide a continuous supply to retailers as soon as it is discharged from the vessels.

Production, Supply and Demand Data Statistics:

Rice, Milled	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jan 2019		Jan 2020		Jan 2021	
Jordan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0

Beginning Stocks (1000 MT)	16	16	16	20	0	15
Milled Production (1000 MT)	0	0	0	0	0	0
Rough Production (1000 MT)	0	0	0	0	0	0
Milling Rate (.9999) (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	230	217	235	210	0	210
TY Imports (1000 MT)	230	217	235	210	0	210
TY Imp. from U.S. (1000 MT)	0	95	0	90	0	95
Total Supply (1000 MT)	246	233	251	230	0	225
MY Exports (1000 MT)	0	3	0	5	0	5
TY Exports (1000 MT)	0	3	0	5	0	5
Consumption and Residual (1000 MT)	230	210	235	210	0	205
Ending Stocks (1000 MT)	16	20	16	15	0	15
Total Distribution (1000 MT)	246	233	251	230	0	225
Yield (Rough) (MT/HA)	0	0	0	0	0	0

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries' 2021/2022 = January 2022 - December 2022

Attachments:

No Attachments