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Jordan

Grain and Feed

Grain and Feed Annual

1998

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Report Highlights:

This report covers Jordan's production, consumption and imports of grains

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Amman , Jordan

Executive Summary	Page 2 of 10
Wheat	Page 2 of 10
PSD Table	Page 2 of 10
Production	Page 3 of 10
Consumption	Page 3 of 10
Trade	Page 3 of 10
Import Trade Matrix	Page 3 of 10
Barley	Page 4 of 10
PSD Table	Page 4 of 10
Production	Page 4 of 10
Consumption	Page 4 of 10
Trade	Page 4 of 10
Import Trade Matrix	Page 5 of 10
Corn	Page 6 of 10
PSD Table	Page 6 of 10
Production	Page 6 of 10
Consumption	Page 6 of 10
Trade	Page 6 of 10
Import Trade Matrix	Page 7 of 10
Rice, Milled	Page 8 of 10
PSD Table	Page 8 of 10
Production	Page 8 of 10
Consumption	Page 8 of 10
Trade	Page 8 of 10
Import Trade Matrix	Page 9 of 10
Production and Price Policy	Page 9 of 10
Market Development	Page 10 of 10

Executive Summary

U.S. sales of wheat to Jordan in 1997/98 (July-June) were about 325,000 MT, 49 percent of Jordan's total imports and up from 25 percent of imports the previous year. FY 98 PL 480 concessional credit and GSM-102 commercial credit were crucial to 250,000 MT of additional purchases from the United States to be shipped during MY1998/99. Imports of barley during MY 1997/1998 totalled 475,000 MT with the U.S. supplying 11 percent. Other barley suppliers were Turkey, Ukraine, Romania and Russia.

Corn imports in 1997/1998 (October/September) totalled 375,000 tons. Due to high prices relative to Argentina, only 16 percent came from the United States. With lower U.S. prices now prevailing, a much higher U.S. market share is expected for 1998/99.

Jordan's imports of medium grain rice during CY 1998 are estimated at 88,000 MT and a similar level is expected for 1999. Seventy percent of the 1998 imports came from the United States. The government has withdrawn from the rice trade and all imports are now by the private sector. Imports of consumer packaged parboiled long grain and basmati rice will continue to be about 10,000 MT per year.

Wheat

PSD Table							
Country:	Jordan						
Commodity:	Wheat						
		1996		1997		1998	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		07/1996		07/1997		07/1998	(MONTH/YEAR)
Area Harvested	48	56	73	62	62	60	(1000 Hectares)
Beginning Stocks	240	240	273	210	208	218	(1000 MT)
Production	51	57	35	60	35	54	(1000 MT)
TOTAL Mkt. Yr. Imports	633	633	600	668	600	650	(1000 MT)
Jul-Jun Imports	633	633	600	668	600	650	(1000 MT)
Jul-Jun Import U.S.	157	157	450	325	450	400	(1000 MT)
TOTAL SUPPLY	924	930	908	938	843	922	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Jul-Jun Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	75	120	100	120	100	120	(1000 MT)
TOTAL Dom. Consumption	651	720	700	720	700	720	(1000 MT)
Ending Stocks	273	210	208	218	143	202	(1000 MT)
TOTAL DISTRIBUTION	924	930	908	938	843	922	(1000 MT)

Production

Jordan's wheat area in 1998 was slightly higher than previous years. Production is projected at 60,000 tons, 5 percent higher than 1997 inspite of low rainfall.

Consumption

Wheat consumption is estimated at 600,000 tons annually.

Trade

Wheat imports during MY 1997/98 totalled 668,000 tons against 633,000 during MY 96/97. The United States supplied 325,000 tons (49 percent of total imports). USDA programs - PL480 was an important tool for these purchases since the prices of U.S. wheat were higher than those of Argentina and Turkey. (the latter of low quality due to insect damage).

Imports of wheat during MY 1998/1999 from the United States are forecast to be about the same level as MY 97/98. the Ministry of Supply purchased 150,000 tons of U.S. wheat under the FY 98 PL 480 Title I program, 100,000 tons arrived during July 1998 and 46,000 tons arrived early September. Near the end of September, the Government purchased 100,000 tons of U.S.hard red winter wheat under GSM 102 for delivery before the end of calendar year 1998.

Import Trade Matrix			
Country:		Units:	1000 MT
Commodity:			
Time period:	07/1998		
Imports for	1996		1997
U.S.	157	U.S.	325
Others		Others	
AUSTRALIA	148	TURKEY	179
HUNGARY	25	ARGENTINA	164
INDIA	56		
ARGENTINA	247		
Total for Others	476		343
Others not listed			
Grand Total	633		668

Barley

PSD Table							
Country:	Jordan						
Commodity:	Barley						
		1996		1997		1998	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		07/1996		07/1997		07/1998	(MONTH/YEAR)
Area Harvested	52	50	93	85	93	85	(1000 Hectares)
Beginning Stocks	268	268	314	238	244	158	(1000 MT)
Production	45	43	30	45	30	45	(1000 MT)
TOTAL Mkt. Yr. Imports	601	527	500	475	500	500	(1000 MT)
Oct-Sep Imports	601	527	500	475	500	500	(1000 MT)
Oct-Sep Import U.S.	0	0	0	53	0	0	(1000 MT)
TOTAL SUPPLY	914	838	844	758	774	703	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	600	600	600	600	600	600	(1000 MT)
TOTAL Dom. Consumption	600	600	600	600	600	600	(1000 MT)
Ending Stocks	314	238	244	158	174	103	(1000 MT)
TOTAL DISTRIBUTION	914	838	844	758	774	703	(1000 MT)

Production

Barley production during 1998 is projected at 45,000 tons, 5 percent higher than 1997. Planted area is estimated at 85,440 hectares or about 69 percent more than 1997.

Consumption

Domestic barley consumption is about 50,000 tons monthly mainly used for cattle and sheep and sometimes for poultry.

Trade

Barley imports during MY 1997/1998 totalled 475,000 tons, of which U.S.A. supplied 11 percent. Traders forecast that during MY 1998/1999, Jordan's imports of barley will be 100 percent from Turkey due to its high quality and very cheap prices. The recent tender which was announced in Turkey for 200,000 tons was sold for USD 58.00 per ton FOB of which 100,000 tons were purchased by a Jordanian trader.

Although the Ministry of Supply allowed the private sector to import barley since August 1996, the Ministry continued importing barley side-by-side with the private sector. Government stocks have drastically increased but the private sector refrained from purchasing from the Ministry since international prices went down and it became more profitable for them to import and sell to the Jordanian farmers while the Ministry continued to sell its stocks at JD 120/ton. In a move to sell its stocks, during August 1998, the Ministry stopped allowing the private sector

import licences in order to force them to purchase from government stocks.

Import Trade Matrix			
Country:		Units:	1000 MT
Commodity:			
Time period:	07/1998		
Imports for	1996		1997
U.S.	0	U.S.	53
Others		Others	
Syria	536	Russia	59
Canada	50	Romania	38
Ukraine	15	Ukraine	84
		Australia	33
		Turkey	208
Total for Others	601		422
Others not listed			
Grand Total	601		475

Corn

PSD Table							
Country:	Jordan						
Commodity:	Corn						
		1996		1997		1998	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		10/1996		10/1997		10/1998	(MONTH/YEAR)
Area Harvested	0	0	0	0	0	0	(1000 Hectares)
Beginning Stocks	111	111	61	77	54	32	(1000 MT)
Production	0	0	0	0	0	0	(1000 MT)
TOTAL Mkt. Yr. Imports	370	350	413	375	413	450	(1000 MT)
Oct-Sep Imports	370	350	413	375	413	450	(1000 MT)
Oct-Sep Import U.S.	258	226	300	60	300	300	(1000 MT)
TOTAL SUPPLY	481	461	474	452	467	482	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	420	384	420	420	420	420	(1000 MT)
TOTAL Dom. Consumption	420	384	420	420	420	420	(1000 MT)
Ending Stocks	61	77	54	32	47	62	(1000 MT)
TOTAL DISTRIBUTION	481	461	474	452	467	482	(1000 MT)

Production

Jordan's locally produced corn is used mostly as corn-on-the-cob for human consumption.

Consumption

Corn consumption is around 35,000 tons monthly, mainly for poultry.

Trade

Corn imports during MY 1997/1998 were 375,000 tons, 16 percent from the United States. Since the beginning of 1997, the Ministry of Supply has withdrawn from the market entirely as the private sector imports its own requirements of corn. Argentina had lower prices. During May/June/July 1998 the Argentinian price was USD 120/ton C&F while the U.S. price was USD 132/ton. Presently, U.S. corn is cheaper than Argentinian corn and Jordanian importers are buying from the U.S. U.S. corn is being sold now (during September 98), at USD 123/ton while the Argentinian corn is being sold at USD 130/ton. It is projected that during 1998/1999 Jordanian corn imports from the U.S. will show a significant increase.

Import Trade Matrix			
Country:		Units:	1000 MT
Commodity:			
Time period:	10/1998		
Imports for	1996		1997
U.S.	258	U.S.	60
Others		Others	
ARGENTINA	99	ARGENTINA	308
UKRAINE	13	TURKEY	7
Total for Others	112		315
Others not listed			
Grand Total	370		375

Rice, Milled

PSD Table							
Country:	Jordan						
Commodity:	Rice, Milled						
		1996		1997		1998	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		01/1996		01/1997		01/1998	(MONTH/YEAR)
Area Harvested	0	0	0	0	0	0	(1000 Hectares)
Beginning Stocks	34	34	37	37	43	47	(1000 MT)
Milled Production	0	0	0	0	0	0	(1000 MT)
Rough Production	0	0	0	0	0	0	(1000 MT)
Milling Rate(.9999)	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	87	87	102	100	102	88	(1000 MT)
Jan-Dec Imports	87	87	102	100	102	88	(1000 MT)
Jan-Dec Import U.S.	16	16	50	39	50	63	(1000 MT)
TOTAL SUPPLY	121	121	139	137	145	135	(1000 MT)
TOTAL Exports	0	0	0	0	0	0	(1000 MT)
Jan-Dec Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	84	84	96	90	96	90	(1000 MT)
Ending Stocks	37	37	43	47	49	45	(1000 MT)
TOTAL DISTRIBUTION	121	121	139	137	145	135	(1000 MT)

Production

Jordan does not produce rice.

Consumption

Jordan consumes between 84,000 - 90,000 tons of medium grain rice per year.

Trade

Jordan imports all its rice requirements. Imports in 1998 are estimated at 88,000 tons, 63,000 tons of which from the United States. Imports of rice during 1999 are forecast to be about the same level as 1998. In 1997, The private sector has started to import medium grain rice. There is tough competition between Australian and U.S. rice importers, and The Ministry of Supply continued to import medium grain rice side-by-side with the private sector to ensure strategic stocks until the private sector can fulfill demand including stocks. Since the beginning of 1998, the Ministry of Supply stopped importing rice and has withdrawn from the market entirely as the private sector imports the market requirements of medium grain rice.

Imports of consumer packaged parboiled long grain and basmati rice during 1998 are estimated at 10,000 ton. The U.S. faces competition from Thailand, Pakistan and India.

Import Trade Matrix			
Country:		Units:	1000 MT
Commodity:			
Time period:	01/1998		
Imports for	1996		1997
U.S.	16	U.S.	39
Others		Others	
EGYPT	69	EGYPT	5
ITALY	1	AUSTRALIA	30
		CHINA	16
		INDIA	5
		ITALY (GRANT)	5
Total for Others	70		61
Others not listed			
Grand Total	86		100

Production and Price Policy

The Government of Jordan (GOJ) continued to subsidize bread prices for all Jordanian citizens. In August 1996, it introduced a cash subsidy for bread and it was implemented successfully. In September 1997, the GOJ stopped the issuance of subsidized ration cards "coupons" for sugar, rice and powdered milk for beneficiaries whose monthly income is less than JD 500 and replaced them with a cash allowance whereby each citizen will be entitled to JD 0.720 (USD 1.02) per month.

Although the Ministry has been encouraging the private sector to import wheat since August 1996, the private sector initially failed to import due to high international prices relative to prices fixed by the Ministry of Supply. In May 1997, in a further step to encourage the private sector to import wheat, the GOJ licenced the private sector to import wheat and sell or reexport it as flour without any restrictions. In addition to the above, during September 1997 GOJ announced measures aimed at encouraging private sector traders to import wheat and barley for the local market and to store their import at the Ministry's silos free of charge for a maximum of two months. Importers pay a tariff on wheat at the rate of JD 0.250 per sack. The announcement also stated that imported barley will be exempted from the JD 5.2 per ton customs duty.

However, the Ministry of Supply continued to import wheat side-by-side with the private sector for the production of local bread (baladi) and stocked sufficient quantities to ensure that the Ministry is able to intervene directly in the market if international prices rise. Contrary to the Ministry's expectations, prices of wheat went down, the

private sector started to import for their own requirement and stopped purchasing from the Ministry's stocks since there was a big difference between the prices they were paying for the imported wheat and the price they paid to purchase wheat from the Ministry of Supply. During August 1998, the Ministry of Supply stopped issuing import licences for the private sector to import wheat and barley as its stocks of both grains were becoming more than required. The Ministry claimed that the millers, benefiting from a fixed flour price, were buying low quality Turkish wheat to increase their profits, resulting in complaints about bread quality. Millers indicate that they would prefer to have 50 percent low priced/low quality wheat (as from Turkey) and 50 percent high quality wheat from the U.S. or Argentina, depending on price or credit considerations.

In addition, the GOJ as of 1998 planting season, changed the 18-year grain subsidy policy. Under the old program, the farmers were encouraged to plant wheat and barley, sold it to the GOJ at subsidized prices announced prior to the planting season. This year this practice will apply to wheat alone. The GOJ is planning to stop the grain subsidy program completely as of 1999.

Market Development

Jordan will continue to import a substantial portion of its wheat and barley needs and all of its corn and rice requirements. For the second year in a row, the United States lost some of its market share to strong competition from Argentina and Turkey. The following table shows total imports of major grains.

Commodity	MY96/97		MY97/98	
	Imports from U.S.A.	all Countries	Imports from U.S.A	all Countries
Wheat	157,000	633,000	325,000	668,000
Barley	0	527,000	53,000	475,000
Corn	226,000	350,000	60,000	375,000
Rice	16,000	87,000	39,000	100,000
Total M.T.	399,000	1,598,000	476,000	1,618,000
U.S. market share	25%		29%	

The United States can continue to facilitate grain sales through GSM Credit Guarantee and PL 480 Title I programs. Provision of 3 years instead of 1 year under GSM-102 would be better adapted to the needs of the private sector grains buyers. Financing will continue to be a critical factor in Jordan's purchasing decisions because of limited foreign exchange and budgetary structures.

U.S. Department of Agriculture Market Development Cooperators -- the U.S. Wheat Associates, the U.S. Feed Grains Council, and the U.S. Rice Council -- should continue to provide valuable technical in-country assistance and trade servicing programs as well as training for Jordanian officials outside Jordan.