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## **Report Name:** Grain and Feed Update – 2020

**Country:** Jordan

**Post:** Amman

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### **Report Highlights:**

FAS Amman forecasts Jordan's wheat imports in marketing year (MY) 2020/2021 to reach 900,000 metric tons (MT). Post foresees a drop of 100,000 MT in MY 2020/2021 import volumes compared to the earlier U.S. Department of Agriculture's (USDA) official MY 2019/2020 figure of 1 million metric tons. The Ministry of Industry, Trade and Supply is set to slow international wheat purchases for its targeted assistance program. FAS Amman forecasts corn imports in MY 2020/2021 at 500,000 MT, down 600,000 MT or 55 percent lower than the USDA official MY 2020/2021 figure of 1.1 million metric tons. Post attributes the drop in imports to decreased demand for feed corn by Jordan's poultry and dairy sectors. Rice imports in MY 2020/2021 are forecast at 215,000 MT, down 15,000 MT or 6.5 percent lower compared to the USDA official 2019/2020 estimate of 230,000 metric tons.

## EXECUTIVE SUMMARY

FAS Amman forecasts Jordan's wheat production in marketing year (MY) 2020/2021 (July-June) at 25,000 metric tons (MT), revised up 1,000 MT from the U.S. Department of Agriculture's (USDA) official MY 2020/2021 figure of 24,000 metric tons. Production is benefitting from an increase in area harvested. Area harvested in MY 2020/2021 will reach 30,000 hectares, up by 10,000 hectares compared to the earlier USDA official MY 2020/2021 figure thanks to higher precipitation levels. Yields, however, at 0.833 MT per hectare will still be lower than in MY 2019/2020 despite the additional rain and increases in area harvested.

FAS Amman forecasts Jordan's total wheat consumption in MY 2020/2021 at 874,000 MT, down by 66,000 MT or seven percent lower compared to the USDA's official MY 2019/2020 figure of 940,000 metric tons. Post is revising downward total consumption to 874,000 MT, about 16,000 MT lower than the USDA's official MY 2020/2021 figure of 890,000 metric tons. Post is attributing the drop in wheat consumption to the novel coronavirus (COVID-19) outbreak's effect on Jordan's economy, impacting the population's ability to purchase wheat-based products.

FAS Amman forecasts Jordan's wheat imports in MY 2020/2021 to reach 900,000 MT, in line with the USDA's official MY 2020/2021 figure of 900,000 metric tons. Post foresees a drop of 100,000 MT in MY 2020/2021 import volumes compared to the earlier USDA official MY 2019/2020 figure of 1 million metric tons. The Ministry of Industry, Trade and Supply (MoITS) is set to slow international wheat purchases for its targeted assistance program given the economic hardship that the country is experiencing. There is now less funding available for international wheat purchases. To compensate, the ministry will aim to better time its purchases going forward in pursuit of favorable prices. The Black Sea region is set to remain Jordan's main wheat supplier in the near-term given its lower freight costs compared to that of U.S.-origin wheat.

FAS Amman forecasts Jordan's barley imports in MY 2020/2021 at 450,000 MT, down 250,000 MT from the USDA's official MY 2020/2021 figure of 700,000 metric tons. Post attributes the decline in barley imports to the reduced use of barley as a feed component in local sheep production.

Jordan's corn production is negligible. FAS Amman forecasts corn production in MY 2020/2021 (October-September) at 10,000 metric tons. Post forecasts Jordan's corn imports in MY 2020/2021 at 500,000 MT, down 600,000 MT or 55 percent lower than the USDA's official MY 2020/2021 figure of 1.1 million metric tons. The drop in imports is a result of a decreased demand for feed corn by the poultry and dairy sectors; both sectors are experiencing COVID-19 constraints, as well as consumers scaling back on purchases of their products. Although the pace of corn import bookings did pick up at year's end 2019, there have been no new corn orders booked during the first three months of 2020.

FAS Amman forecasts Jordan's rice imports in MY 2020/2021 at 215,000 MT, down 15,000 MT or 6.5 percent lower than the USDA's official 2019/2020 estimate of 230,000 metric tons. Post is revising downward the MY 2020/2021 forecasted rice import volume to 215,000 MT, lower than the USDA's official figure of 235,000 MT due to a drop in imports resulting from COVID-19 induced economic hardship. Jordan, with no domestic rice production of its own, is dependent on foreign-origin rice imports. Post forecasts Jordan's imports of U.S.-origin rice at 100,000 MT, and accounting for almost half of the overall market share.

## WHEAT

### PRODUCTION, SUPPLY AND DEMAND DATA STATISTICS:

Wheat Market Year Begins	2018/2019		2019/2020		2020/2021	
	Jul 2018		Jul 2019		Jul 2020	
Jordan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1,000 HA)	30	30	20	20	20	30
Beginning Stocks (1,000 MT)	516	516	371	426	406	365
Production (1,000 MT)	25	30	25	25	24	25
MY Imports (1,000 MT)	782	825	1,000	794	900	900
TY Imports (1,000 MT)	782	825	1,000	794	900	900
TY Imp. from U.S. (1,000 MT)	0	0	0	0	0	0
Total Supply (1,000 MT)	1,323	1,371	1,396	1,245	1,330	1,290
MY Exports (1,000 MT)	62	50	50	10	10	10
TY Exports (1,000 MT)	62	50	50	10	10	10
Feed and Residual (1,000 MT)	15	20	15	20	15	15
FSI Consumption (1,000 MT)	875	875	925	850	875	859
Total Consumption (1,000 MT)	890	895	940	870	890	874
Ending Stocks (1,000 MT)	371	426	406	365	430	406
Total Distribution (1,000 MT)	1,323	1,371	1,396	1,245	1,330	1,290
Yield (MT/HA)	0.8333	1	1.25	1.25	1.2	0.8333
(1,000 HA), (1,000 MT), (MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year for Wheat begins in July for all countries. TY 2020/2021 = July 2020 - June 2021						

### PRODUCTION

FAS Amman forecasts Jordan's wheat production in marketing year (MY) 2020/2021 (July-June) at 25,000 metric tons (MT), revised up 1,000 MT from the U.S. Department of Agriculture's (USDA) official MY 2020/2021 figure of 24,000 metric tons. Production is benefitting from an increase in area harvested. Area harvested in MY 2020/2021 is 30,000 hectares, up by 10,000 hectares compared to the earlier USDA official MY 2020/2021 figure thanks to higher precipitation levels. However, yields at 0.833 MT per hectare are still lower than in MY 2019/2020 despite more rain and increases in area harvested.

Jordan is not a significant producer of wheat. It is dependent on wheat imports (mainly from the Black Sea region) for the bulk wheat flour milling needs. Jordan's total production fits in a single handy-size dry bulk carrier (the industry standard 32,000 MT of deadweight on a summer draft of 10 meters).

### CONSUMPTION

FAS Amman forecasts Jordan's total wheat consumption in MY 2020/2021 at 874,000 MT, down by 66,000 MT or seven percent lower compared to the USDA's official MY 2019/20 figure of 940,000 metric tons. Post is revising downward its total consumption in MY 2020/2021 to 874,000 MT, about 16,000 MT lower than the USDA's official MY 2020/2021 figure of 890,000 MT because of the novel coronavirus (COVID-19) outbreak on Jordan's finances.

Jordan's Ministry of Industry, Trade and Supply (MoITS), the state agency responsible for foreign wheat purchases for the country's targeted assistance programs, is scaling back wheat imports due to the

country's economic belt tightening. Post attributes the drop in consumption to Jordanian families similarly tightening belts to spend less on food (lowering demand for wheat flour-based products).

The COVID-19 pandemic took Jordan by surprise. Mitigation efforts to contain the spread of the virus have been to an extent successful, but at a high economic cost. Even before the COVID-19 outbreak, Jordan was set to plunge into recession in 2020. Structural economic conditions pose a threat to social stability due to the long-term decline in gross domestic product (GDP) per capita and unemployment levels estimated at 25 percent in 2020 (and significantly much higher for the youth population). Unemployment has increased in 2020 with the return from the Gulf Cooperation Council (GCC) countries of Jordanian expatriate workers. While inflation in 2020 will likely drop to 0.1 percent, because of COVID-19 driving down domestic energy and transport costs, international food prices are expected to increase. Jordan is 95 percent dependent on food imports. Jordan will experience severe weakening of domestic demand.

Jordan counts with a population of 10.8 million, growing at 1.4 percent per annum (Central Intelligence Agency - July 2020 estimate); this estimate reflects assumptions about the net migration rate due to the increased flow of Syrian refugees. Wheat consumption in the past few years has experienced unprecedented growth due to the influx of refugees displaced by the civil war in neighboring Syria.

The Syrian conflict has led to the arrival of 655,000 UN-registered Syrian refugees (80 percent live in urban areas). There are 745,000 UN-registered refugees (various nationalities) in Jordan as of January 2020. Jordan's census (as of early 2016) puts the numbers of refugees at 1.3 million. Current CIA estimates put the number of refugees at 3 million. Prior to 2012, Jordan had a population of 6.2 million. The presence of Syrians is a drain on public finances, as well as strains food security and water resources. Thirty-five percent of the population (i.e., 9.7 million people) are under 15 years-of-age.

## **TRADE**

FAS Amman forecasts Jordan's wheat imports in MY 2020/2021 at 900,000 MT, in line with the USDA's official MY 2020/2021 figure of 900,000 metric tons. Post is foreseeing a drop of 100,000 MT in MY 2020/2021 import volumes compared to the earlier USDA official MY 2019/2020 figure of 1 million metric tons. The Ministry of Industry, Trade and Supply is set to slow wheat purchases for its targeted assistance program given the economic hardship that the country is experiencing, which limits the funding for international wheat purchase. The ministry aims to better time its purchases going forward in pursuit of favorable prices. The Black Sea region remains Jordan's main wheat supplier in the near-term given its lower freight costs compared to that of U.S.-origin wheat.

**Aqaba New Port Expansion:** The Port of Aqaba is completing major expansion of its bulk carrier vessel offloading and silo storage capabilities. The new facility (on the Saudi Arabia border) is two-thirds operational. It improves dockside discharge for grains, with a port depth of 16-18 meters.

The discharge of a 35,000 MT dry bulk carrier vessel will now take three-to-four days. Silo storage capacity is 200,000 MT; plans are in the works for another 100,000 MT of storage capacity. The facility also counts with 20,000 MT capacity of open-air plots for silo bag storage. The Port of Aqaba is Jordan's only seaport; the country counts with a mere 26 kilometers of coastline (see [GAIN-JORDAN \(JO2020-0002\) – Grain & Feed Annual – Grain Imports to Suffer as Jordan Struggles with Low Growth in 2020](#)).

## STOCKS

FAS Amman forecasts Jordan's wheat ending stocks in MY 2020/2021 at 406,000 MT, down by 24,000 MT or six percent less compared to the USDA's official MY 2020/2021 figure of 430,000 metric tons. Post attributes the lower ending stock number to smaller beginning stocks (365,000 MT) combined with a drop in import volumes (now at 900,000 MT) pushing total supply down to 1.29 million metric tons. Regional instability continues to challenge Jordan's food security. The Jordanian government will aim to bank a minimum supply of no less than four-to-five months of wheat stocks.

## POLICY

In 2018, the MoITS replaced the bread subsidy program with a targeted assistance program that sets new bread prices (see [GAIN-JORDAN \(JO18001\) Jordan Ends Bread Subsidies, Implements USDA-Style SNAP EBT Program](#)). The ministry continues to set price caps for bread, but no longer directly subsidizes the product to bakeries. Jordan has the necessary reserves of wheat (i.e., both delivered and contracted purchases) to meet current domestic supply needs. Jordan is an insignificant producer of wheat and depends on imports. Bakery and other non-subsidized products remain unaffected.

## MARKETING

The Ministry of Industry, Trade and Supply previously sold imported wheat to millers at a non-commercially competitive set price. Prices are now set on a moving average of the inventoried wheat's cost, which includes the purchase price, storage, and transportation costs. Millers sell the flour to bakers under ministry supervision (see [GAIN-JORDAN \(JO2019-1127\) Jordan Grain and Feed Annual 2019](#)).

## BARLEY

### PRODUCTION, SUPPLY AND DEMAND DATA STATISTICS:

Barley Market Year Begins	2018/2019		2019/2020		2020/2021	
	Jul 2018		Jul 2019		Jul 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Jordan</b>						
Area Harvested (1,000 HA)	25	25	25	25	25	25
Beginning Stocks (1,000 MT)	272	272	208	193	78	487
Production (1,000 MT)	20	20	20	20	20	20
MY Imports (1,000 MT)	916	901	300	498	700	450
TY Imports (1,000 MT)	928	901	300	498	700	450
TY Imp. from U.S. (1,000 MT)	0	0	0	0	0	0
Total Supply (1,000 MT)	1,208	1,193	528	711	798	957
MY Exports (1,000 MT)	0	0	0	0	0	0
TY Exports (1,000 MT)	0	0	0	0	0	0
Feed and Residual (1,000 MT)	1,000	1,000	450	224	700	467
FSI Consumption (1,000 MT)	0	0	0	0	0	0
Total Consumption (1,000 MT)	1,000	1,000	450	224	700	467
Ending Stocks (1,000 MT)	208	193	78	487	98	490
Total Distribution (1,000 MT)	1,208	1,193	528	711	798	957
Yield (MT/HA)	0.8	0.8	0.8	0.8	0.8	0.8
(1,000 HA), (1,000 MT), (MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year for Barley begins in October for all countries. TY 2020/2021 = October 2020 - September 2021						

## PRODUCTION

Jordan's barley production is negligible. Barley's main use is for animal grazing and fodder.

### **CONSUMPTION**

FAS Amman forecasts Jordan's total barley consumption in MY 2020/2021 (July-June) at 467,000 MT, down 233,000 MT or 30 percent lower than the USDA's official MY 2020/2021 estimate of 700,000 metric tons. Higher precipitation levels this year led to a prolonged grazing season, allowing herders to cut back on the use of barley feed. Barley imports are set to drop to 450,000 metric tons.

Sheep fodder in Jordan includes barley. To a lesser extent, barley is included in dairy cattle and poultry feed rations. Barley use is dropping since the 2012 implementation of the animal tagging/registration system. Shepherds receive subsidized barley based on the number of tagged animals (restricted to ten). Farmers attempt to circumvent the limitation by splitting herds among family members.

### **TRADE**

FAS Amman forecasts Jordan's barley imports in MY 2020/2021 at 450,000 MT, down 250,000 MT from the USDA's official MY 2020/2021 figure of 700,000 metric tons. Post attributes the decline in barley imports to reduced use of barley as a feed component in sheep production. This is occurring while the number of animals maintained by farmers is also dropping. There is an increase in Jordanian lamb and mutton exports to the Gulf countries (namely Kuwait, the United Arab Emirates, and Bahrain), which is reducing the actual number of animals in the country. Silage and corn are replacing barley usage in dairy animal and poultry feed formulations.

Post is revising upward the MY 2019/2020 barley import volume from the USDA's official figure of 300,000 MT to 498,000 metric tons. FAS Amman verified with the local authority the volume of barley consignments in MY 2019/2020. The Jordanian government is the country's main barley importer and sets domestic prices. The price is an average of different origins' prices and delivery dates, plus storage and handling costs, minus the subsidized discount (ranges \$10.00 to \$50.00 per metric ton). The Black Sea region, primarily Romania is Jordan's main barley supplier (followed by Russia and Ukraine).

### **STOCKS**

FAS Amman forecasts Jordan's barley ending stocks in MY 2020/2021 at 490,000 MT, up 300 percent, or 392,000 MT higher compared to the USDA's official MY 2020/2021 figure of 98,000 metric tons. Post attributes the higher ending stock number to a reduction in total consumption (just 467,000 MT) combined with very high beginning stocks (487,000 MT) carried over from MY 2019/2020. Official policy ensures availability of stocks. The government times purchases to obtain favorable prices, banking greater than needed volumes (to maintain a ten-month supply at current consumption levels).

### **POLICY**

Only sheep and goat farmers receive subsidized barley. The subsidy program excludes commercial dairy cattle and poultry farms. Jordan's animal tagging/registration project has established a reliable ruminant animal database, replacing the previous outdated animal census.

### **MARKETING**

The Ministry of Industry, Trade and Supply solicits bids through traders that meet stipulated standards. Ministry purchased barley is then sold at a subsidized price to shepherds.

### **CORN**

## PRODUCTION, SUPPLY AND DEMAND DATA STATISTICS:

Corn Market Year Begins  Jordan	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1,000 HA)	1	1	1	1	1	1
Beginning Stocks (1,000 MT)	10	10	10	20	20	20
Production (1,000 MT)	10	10	10	10	10	10
MY Imports (1,000 MT)	738	850	1,000	500	1,100	500
TY Imports (1,000 MT)	738	850	1,000	500	1,100	500
TY Imp. from U.S. (1,000 MT)	1	10	0	0	0	0
Total Supply (1,000 MT)	758	870	1,020	530	1,130	530
MY Exports (1,000 MT)	25	20	20	20	20	20
TY Exports (1,000 MT)	25	20	20	20	20	20
Feed and Residual (1,000 MT)	718	820	970	485	1,050	500
FSI Consumption (1,000 MT)	5	10	10	5	10	0
Total Consumption (1,000 MT)	723	830	980	490	1,060	500
Ending Stocks (1,000 MT)	10	20	20	20	50	10
Total Distribution (1,000 MT)	758	870	1,020	530	1,130	530
Yield (MT/HA)	10	10	10	10	10	10
(1,000 HA), (1,000 MT), (MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year for Corn begins in October for all countries. TY 2020/2021 = October 2020 - September 2021						

## PRODUCTION

Jordan's corn production is negligible. Post forecasts corn production in MY 2020/2021 (October-September) at 10,000 metric tons. Domestic corn production is mainly for human consumption (i.e., as corn on the cob), however, a minor part of it goes into silage. There is no biotechnology (biotech) corn cultivation in Jordan (see [GAIN-JORDAN \(JO-2019-0002\) – Agricultural Biotechnology Annual 2019: Jordan's Agricultural Biotechnology Regulations Remain Unchanged](#)).

## CONSUMPTION

FAS Amman forecasts Jordan's corn consumption in MY 2020/2021 at 500,000 MT, down 560,000 MT or 53 percent lower than the USDA's official MY 2020/21 figure of 1.06 million metric tons. Post is revising down Jordan's total corn consumption number due to COVID-19's impact on Jordan's poultry and dairy sectors. Producers are downsizing production due to consumer demand for their products dropping especially in the hotel-restaurant-institutional sector.

Jordan has invested over \$1 billion in developing the domestic poultry sector. The Jordanian market, however, is still in the recovery phase following an earlier drop in consumption resulting from the poultry sector's overexpansion in calendar year (CY) 2013/2014 (January-December). The larger integrators continue to seek to curb production with production cuts of 10-15 percent, forcing the smaller producers to exit the market. Domestic consumption of poultry is 300,000 MT per annum, of which 270,000 MT is from local production and the balance from imports. The government has at times established a policy to restrict imports of poultry and dairy products to protect local industries from imports.

## TRADE

FAS Amman forecasts Jordan's corn imports in MY 2020/2021 at 500,000 MT, down 600,000 MT or 55 percent lower than the USDA's official MY 2020/2021 figure of 1.1 million metric tons. Post attributes the drop in imports to a decreased demand for feed corn by Jordan's poultry and dairy sectors. These are scaling back purchases of foreign corn as consumer demand for their own products falls due to COVID-19's economic impact on their finances.

Although the pace of corn import bookings did pick up towards the end of CY 2019, there have been no new corn orders booked during the first three months of 2020. Post is revising downward the MY 2019/2020 corn import volume from the USDA's official figure of 1 million metric tons to 500,000 metric tons.

FAS Amman has verified with the local authority the actual volume number of landed corn consignments occurring within the MY 2019/2020. Jordanian traders confirm having scaled back their own purchases during the year due to a worsening economic situation in the country compounded by the COVID-19 outbreak and the imposition of mitigation measures to control its spread.

The [Jordan-U.S. Free Trade Agreement](#) no longer provides a tariff advantage for U.S.-origin corn; all foreign-origin corn imports are tariff exempt today. Argentina (the world's third largest corn exporter and a major soybean producer) and Brazil normally supply over 90 percent of all imports. Argentine and Brazilian corn exporters ship smaller volumes (i.e., 10,000-15,000 MT range), which often (cash-strapped) Jordanian importers prefer.

## **STOCKS**

FAS Amman forecasts Jordan's ending stocks in MY 2020/2021 at 10,000 metric tons. Post attributes the 40,000 MT difference with the USDA's official MY 2020/2021 figure of 50,000 MT to a significant drop in imports (that now reach only 500,000 MT) along with feed and residual absorbing the entirety of the import volume.

Only nominal amounts of corn are stored by poultry farmers, usually just enough to meet their immediate monthly needs. Jordan's private sector has invested adequately in corn storage facilities.

## **POLICY**

Jordan does not place restrictions on the corn trade. Specifications for corn follow U.S. standards. Issues that have arisen pertain to broken kernels; consignments with breakage above 7.5 percent may face rejections. Corn shipments that exceed the established maximum-residue-limit (MRL) for aflatoxins, which is equivalent to the U.S. standard, are also subject to rejection.

## **MARKETING**

Corn in Jordan is imported and distributed through private sector traders. Corn is usually unloaded directly to trucks that deliver it immediately to dairy and poultry farms.



## RICE, MILLED

### PRODUCTION, SUPPLY AND DEMAND DATA STATISTICS:

Rice, Milled Market Year Begins  Jordan	2018/2019		2019/2020		2020/2021	
	Jan 2018		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1,000 HA)	0	0	0	0	0	0
Beginning Stocks (1,000 MT)	16	16	16	23	16	20
Milled Production (1,000 MT)	0	0	0	0	0	0
Rough Production (1,000 MT)	0	0	0	0	0	0
Milling Rate (.9999) (1,000 MT)	0	0	0	0	0	0
MY Imports (1,000 MT)	220	210	230	210	235	215
TY Imports (1,000 MT)	220	210	230	210	235	215
TY Imp. from U.S. (1,000 MT)	93	91	0	95	0	100
Total Supply (1,000 MT)	236	226	246	233	251	235
MY Exports (1,000 MT)	0	3	0	3	0	5
TY Exports (1,000 MT)	0	3	0	3	0	5
Consumption and Residual (1,000 MT)	220	200	230	210	235	210
Ending Stocks (1,000 MT)	16	23	16	20	16	20
Total Distribution (1,000 MT)	236	226	246	233	251	235
Yield (Rough) (MT/HA)	0	0	0	0	0	0
(1,000 HA), (1,000 MT), (MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, for Rice, milled begins in January for all countries. TY 2020/2021 = January 2021 - December 2021						

### PRODUCTION

With agriculture accounting for half of the water supply's consumption, Jordan is shying away from production of water demanding rice. Jordan is one of the world's driest countries. It has one of the lowest levels of per capita water availability (150 cubic meters). The Syrian crisis has increased the country's population (which is on track to double by 2047), making meeting water demand even more critical. Notwithstanding the wetter than normal 2019/2020 winter, shifting precipitation patterns in the region are aggravating the situation where already more than 90 percent of rainfall evaporates or runs off. Jordan is drawing groundwater at twice the rate-of-recharge by some estimates.

### CONSUMPTION

FAS Amman forecasts Jordan's rice consumption in MY 2020/2021 at 210,000 MT, down 25,000 MT or 11 percent lower than the USDA's official 2019/2020 estimate of 230,000 metric tons. Post attributes lower rice consumption to increasingly tighter economic conditions in the country.

Rice is a staple of the local diet; annual consumption is slightly under 20 kilograms per person. *Camolino* rice (medium grain) is preferred (and constitutes over 50 percent of imports). Long grain white rice, *basmati*, and jasmine rice are also imported.

### TRADE

FAS Amman forecasts Jordan's rice imports in MY 2020/2021 at 215,000 MT, down 15,000 MT or 6.5 percent lower compared to the USDA's official 2019/2020 estimate of 230,000 metric tons. Post is revising downward its MY 2020/2021 forecasted rice import volume to 215,000 MT, lower than the

USDA's official figure of 235,000 MT due to an anticipated drop in import volumes resulting from COVID-19 induced economic hardship in Jordan.

Jordan, with no local rice production of its own, is completely dependent on foreign-origin rice imports. Post forecasts Jordan imports of U.S.-origin rice at around 100,000 MT, accounting for almost half of the overall market share. Despite U.S.-origin rice's higher price, market development efforts continue to pay dividends. Jordanians have developed a preference for U.S. rice. Other major rice suppliers include India, Thailand, and Australia.

The bulk of Asian-origin rice is lower-cost, long grain white rice. Aromatic and *basmati* rice are also imported, but in lesser quantities. Long grain rice's market share has grown to 30 percent due to its lower price. India- and Hong Kong-origin *basmati* rice have experienced detection and rejection issues due to higher than acceptable pesticide residue levels.

Jordanian authorities indicate that the country's MRLs for pesticides are higher than European Union set ones for imported rice. Higher detection levels, leading to shipment rejections is causing some shortages in the Jordanian market. Sources indicate that a national committee, integrated by the Ministry of Agriculture, Jordan Food and Drug Administration, and Jordan Standards and Metrology Organization is now in place. Post is unaware of any U.S.-origin rice (i.e., non-fumigated, California rice) rejections.

#### **STOCKS**

There is no government policy on maintaining strategic rice stocks. Only minimal stocks exist.

#### **POLICY**

Jordan does not place restrictions on the rice trade. Specifications for rice are somewhat like U.S. standards. The Jordan-U.S. Free Trade Agreement no longer provides a tariff advantage for U.S.-origin rice; all rice imports are tariff exempt today.

#### **MARKETING**

Jordan imports rice in bulk. Distribution occurs through private sector traders. Rice imports are fractioned into smaller, consumer-ready packages by traders to supply retailers.

#### **Attachments:**

No Attachments