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## **Jordan**

### **Grain and Feed Annual 2019**

#### **Jordan's Grain Imports Hold Largely Steady**

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**Report Highlights:**

FAS Amman (Post) forecasts Jordan's wheat imports in MY 2019/20 to stay at 1.1 million metric tons (MMT), a figure largely in line with forecasted consumption rates. Post forecasts Jordan's corn imports in MY 2019/20 to increase by slightly over four per cent to 835,000 MT from the USDA official MY 2018/19 estimate of 800,000 metric tons. We anticipate that U.S.-origin corn imports may grow, reaching in MY 2019/20 some 200,000 MT based on competitive pricing and availability now of the GSM-102 Credit Guarantee Program to Jordanian banks. FAS Amman forecast Jordan's rice imports in MY 2019/20 at 190,000 MT, down 17 percent or 40,000 MT lower from the USDA official MY 2018/19 estimate of 230,000 metric tons.

## Executive Summary:

FAS Amman (Post) forecasts Jordan's wheat production in marketing year (MY) 2019/20 (July-June) to reach 25,000 metric tons (MT). This figure is up 25 percent, or 5,000 MT compared to the U.S. Department of Agriculture (USDA) official MY 2018/19 production estimate of 20,000 metric tons. Although area-harvested remains unchanged at 20,000 hectares (HA), we attribute the uptick in production to increased rains. Jordan is not a significant producer of wheat.

Post forecasts Jordan's wheat imports in MY 2019/20 to stay at 1.1 million metric tons (MMT), a figure largely in line with forecasted consumption rates of 1.02 million metric tons. The Black Sea region, primarily Romania remains Jordan's main wheat supplier. Now with the approval of a new [Jordanian bank's registration \(i.e., Jordan Kuwait Bank\)](#) and participation in the [USDA's Export Guarantee Program \(GSM-102\)](#), post foresees the possibility of some 100,000 MT of U.S.-origin wheat in marketing year 2019/20.

Jordan's corn production is negligible; annual production is under 10,000 metric tons. Domestic corn production is largely for human consumption (i.e., as corn on the cob). Post forecasts Jordan's corn consumption in MY 2019/20 (October-September) at 805,000 MT, up less than one percent or increasing 5,000 MT from the USDA official MY 2018/19 estimate. FAS Amman forecasts Jordan's corn imports in MY 2019/20 to increase by slightly over four per cent to 835,000 MT from the USDA official MY 2018/19 estimate of 800,000 metric tons. Post anticipates that U.S.-origin corn imports may grow, reaching in MY 2019/20 some 200,000 MT based on competitive pricing and now the availability of GSM-102 Credit Guarantee Program to Jordanian banks.

FAS Amman forecast Jordan's rice imports in MY 2019/20 at 190,000 MT, down 17 percent or 40,000 MT from the USDA official MY 2018/19 estimate of 230,000 metric tons. Imports of U.S.-origin rice will however come in around 100,000 MT, and account for over 50 percent of the market. Although U.S.-origin rice is higher cost, market development efforts are paying dividends. Jordanians have developed a preference for U.S. rice. Other major rice suppliers are India, Thailand, and Australia. Post attributes the forecasted drop in overall imports due to Jordan's slow pace of economic growth during the forecast period.

Jordanian authorities indicate that the country's maximum residue levels (MRL) for pesticides are higher than those set by European Union 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 and is working on bringing Jordan's MRL regulations in line with those of the European Union. Suppliers caught up in the wake of increased rejections for MRL violations have until September 2019, to come into compliance with the new standards. Post is unaware of any U.S.-origin rice shipments (i.e., non-fumigated, California-origin rice) rejections.

## WHEAT

### PRODUCTION

FAS Amman (Post) forecasts Jordan's wheat production in marketing year (MY) 2019/20 (July-June) to reach 25,000 metric tons (MT). This figure is up 25 percent, or 5,000 MT compared to the U.S. Department of Agriculture (USDA) official MY 2018/19 production estimate of 20,000 metric tons. Although area harvested remains unchanged at 20,000 hectares (HA), we attribute the uptick in production to increased rains. Jordan is not a significant producer of wheat.

### CONSUMPTION

FAS Amman forecasts Jordan's wheat consumption in MY 2019/20 at 1.02 million metric tons (MMT), down 8.5 percent from the USDA official MY 2018/19 estimate of 1.15 million metric tons. Post attributes the decline to the implementation of bread subsidy reform measures. In January 2018, the [Ministry of Industry and Trade and Supply \(MoITS\)](#) replaced the national bread subsidy program with targeted assistance to Jordan's population in greatest need. The ministry continues to set price caps for bread, but no longer directly subsidizes the product to bakeries (see [GAIN JORDAN \(No. JO18001\) - Jordan Ends Bread Subsidies, Implements USDA-Style SNAP EBT Program](#)).

Wheat consumption in previous years experienced unprecedented growth due to the heavy influx of refugees displaced by the civil war in neighboring Syria. Jordan counts today with a population of around 10.5 million (Central Intelligence Agency, July 2018 estimate); this estimate reflects assumptions about the net migration rate due to the increased flow of Syrian refugees. Prior to 2012, Jordan had a population of 6.2 million. The country has also seen an influx of Egyptian, Yemeni, and Libyan nationals in recent years.

The Syrian conflict resulted in the influx of 650,000 UN-registered refugees (80 percent live in Jordan's urban areas). Jordan's census puts the numbers of refugees at about 1.3 million (as of early 2016). Progress towards resolution of the Syrian and Iraqi conflicts is leading to the reopening of some border crossings and export transit routes. This is facilitating the refugees return to their home countries. A small number of Syrian refugees commenced in December 2018 to return to Syria.

### TRADE

FAS Amman forecasts Jordan's wheat imports in MY 2019/20 to stay at 1.1 MMT, a figure largely in line with forecasted consumption rates. The Black Sea region, primarily Romania remains Jordan's main wheat supplier. Now with the approval of a new [Jordanian bank's registration \(i.e., Jordan Kuwait Bank\)](#) and participation in the [USDA's Export Guarantee Program \(GSM-102\)](#), post foresees the possibility of some 100,000 MT of U.S.-origin wheat in marketing year 2019/20.

Of that import amount, we anticipate that possibly some 10,000 MT will make its way to neighboring Iraq via the [Al Karamah border crossing \(Tarbil on the Iraqi side\)](#). Truck convoys of 30-60 vehicles transporting food and agricultural products reportedly are making their way across the border since late last year.

## **STOCKS**

FAS Amman forecasts Jordan's ending stocks in MY 2019/20 at 486,000 MT, up 42 percent or 144,000 MT from the USDA official MY 2018/19 estimate of 342,000 metric tons. Post sees the Jordanian market adjusting to a new stability in the wake of the bread subsidy program's reform.

The Ministry of Industry and Trade and Supply confirms that its wheat stocks are sufficient to last ten-months at current consumption rates. Jordan will import 1.1 MMT of wheat; half of this amount is already contracted for and being shipped. Regional instability challenges Jordan's food security; the government today banks no less than a ten-month supply of stocks. In the past, the government would maintain a four-month supply of stocks. A decade ago, Jordan was poised to privatize its imported wheat purchases.

The government has finalized its silo capacity expansion project; aimed at increasing capacity by 225,000 metric tons. Construction of the final 100,000 MT of storage is complete. Expanded capacity at Aqaba's new port terminal will alleviate tight storage, bettering food security.

## **POLICY**

The Ministry of Industry and Trade and Supply replaced in 2018, the bread subsidy program with targeted assistance; setting new bread prices. The ministry continues to set price caps for bread, but no longer directly subsidizes the product to bakeries.

Ministry sources confirm the new price structure for bread. Bread prices for small pita loaves are set at JOD 0.40 (\$0.56) per kilogram, up JOD 0.16 (\$0.23) or increasing 67 percent. The price for large pita loaves is now set at JOD 0.32 (\$0.45), up JOD 0.16 (\$0.23) or increasing 100 percent. The price for traditional bread is now set at JOD 0.35 (\$0.49), up JOD 0.17 (\$0.24) or increasing 94 percent. Prices may however go up JOD 0.01 (~\$0.015) from a JOD 1.61 (\$2.25) increase the price of wheat. Barring this, the new prices will remain in place through the end of March 2019; Jordan has sufficient 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. The Jordanian dinar (JOD) is pegged to the U.S. dollar at ~JOD 0.710 to \$1.00.

## **MARKETING**

The Ministry of Industry and Trade and Supply previously sold imported wheat to local millers at a non-commercially competitive set price. Wheat prices today are set on a moving average of the inventoried wheat's cost, which includes the purchase price, storage, and transportation costs. Jordanian millers sell the flour to bakers under the ministry's supervision.

## Production, Supply and Demand Data Statistics:

Wheat Market Begin Year	2017/2018		2018/2019		2019/2020	
	Jul 2017		Jul 2018		Jul 2019	
Jordan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	15	20	20	30	0	20
Beginning Stocks	447	447	347	291	0	391
Production	20	20	20	30	0	25
MY Imports	1030	910	1100	1100	0	1100
TY Imports	1030	910	1100	1100	0	1100
TY Imp. from U.S.	50	95	0	0	0	0
Total Supply	1497	1377	1467	1421	0	1516
MY Exports	10	10	10	10	0	10
TY Exports	10	10	10	10	0	10
Feed and Residual	15	16	15	20	0	20
FSI Consumption	1125	1060	1100	1000	0	1000
Total Consumption	1140	1076	1115	1020	0	1020
Ending Stocks	347	291	342	391	0	486
Total Distribution	1497	1377	1467	1421	0	1516
Yield	1.3333	1	1	1	0	1.25
(1000 HA) ,(1000 MT) ,(MT/HA)						

## BARLEY

### PRODUCTION

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

### CONSUMPTION

FAS Amman forecasts Jordan's barley consumption in MY 2019/20 (July-June) to stay at 750,000 metric tons. Sheep fodder in Jordan largely includes barley. To a lesser extent, barley is included in dairy cattle and poultry feed rations. Barley use dropped with the implementation of the 2012 animal tagging/registration system. Shepherds currently receive subsidized barley according to the actual number of tagged animals, which is restricted to ten. Farmers attempt to circumvent the limitation by splitting up herds among different family members.

### TRADE

FAS Amman forecasts Jordan's barley imports in MY 2019/20 at 750,000 MT, up 25 percent or some 150,000 MT from the USDA official MY 2018/19 estimate of 600,000 metric tons. The country is aligning stocks with consumption. The Black Sea region, primarily Romania is the main barley supplier (followed by Russia and Ukraine). Post does not foresee any U.S.-origin barley imports in MY 2019/20; two decades have elapsed since the last import of U.S. barley.

The government is the country's main barley importer, and sets the domestic sell price. The price is an average of different origins' prices and delivery dates, plus storage and handling costs, minus the subsidized discount (ranges \$10 to \$50 per metric ton). To minimize the potential for profiteering, arbitrage is resorted to when significant price swings occur. Traders will attempt to take advantage of price swings to undercut the government's set price.

## STOCKS

FAS Amman forecasts Jordan's barley ending stocks in MY 2019/20 at 380,000 MT, up 168 percent, or 238,000 MT from the USDA official MY 2018/19 estimate of 142,000 metric tons. Official policy centers on ensuring that sufficient stocks are available; the government times its purchases to obtain better prices. Post does not anticipate any major changes in the government's policy; inventory levels will remain stable (i.e., maintain a ten-months of stocks at current consumption levels).

## POLICY

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

## MARKETING

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

### Production, Supply and Demand Data Statistics:

Barley	2017/2018		2018/2019		2019/2020	
	Jul 2017		Jul 2018		Jul 2019	
Jordan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	25	25	25	25	0	25
Beginning Stocks	349	349	272	340	0	360
Production	20	20	20	20	0	20
MY Imports	773	871	600	750	0	750
TY Imports	788	871	600	750	0	750
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	1142	1240	892	1110	0	1130
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	870	900	750	750	0	750
FSI Consumption	0	0	0	0	0	0
Total Consumption	870	900	750	750	0	750
Ending Stocks	272	340	142	360	0	380
Total Distribution	1142	1240	892	1110	0	1130
Yield	0.8	0.8	0.8	0.8	0	0.8
(1000 HA) ,(1000 MT) ,(MT/HA)						

## CORN

### PRODUCTION

Jordan's corn production is negligible, annual production is under 10,000 metric tons. Domestic corn production is largely for human consumption (i.e., as corn on the cob).

### CONSUMPTION

FAS Amman forecasts Jordan's corn consumption in MY 2019/20 (October-September) at 805,000 MT, up less than one percent or 5,000 MT from the USDA official MY 2018/19 estimate.

The Jordanian market is recovering from an earlier drop in consumption resulting from the poultry sector's correction in the wake of overexpansion in calendar year (CY) 2013-14 (January-December). Poultry oversupply has led to lower prices since marketing year 2015/16. Despite large integrators' attempts to curb production, poultry remains sold below production costs. The industry has cut production by 10-15 percent; the market is now normalizing in MY 2019/20 as smaller producers drop out. Post sees greater stability in marketing year 2019/20.

## **TRADE**

FAS Amman forecasts Jordan's corn imports in MY 2019/20 to increase by slightly over four per cent to 835,000 MT from the USDA official MY 2018/19 estimate of 800,000 metric tons. Post anticipates that U.S.-origin corn imports may grow, reaching in MY 2019/20 some 200,000 MT based on competitive pricing and availability now of the GSM-102 Credit Guarantee Program.

[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 and Brazil currently 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**

Only nominal amounts of corn are stored by poultry farmers, usually just enough to meet their immediate monthly needs. Jordan generally lacks adequate corn storage facilities. This dearth of storage is a key reason why traders often prefer to source smaller shipments in the range of 10,000-15,000 metric tons. The reportedly completed silos at the port of Aqaba (225,000 MT) and just south of Amman (120,000 MT), will help increase storage capacity.

## **POLICY**

Jordan does not place restrictions on the corn trade. Specifications for corn are similar to 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.

FAS Amman in cooperation with the U.S. Grains Council and the Amman Chamber of Commerce organized on April 22-26, 2018, a first of its kind grains inspection and sampling workshop. The training program, geared towards government officials responsible for grain inspection standards and procedures, brought together 30 inspectors and laboratory officials from relevant agencies. There is a need to adopt a standardized methodology for calculating the number of permissible broken kernels and averaging these by lots. Similarly, importers are calling for the government to study the possibility of increasing the permissible number of broken kernels and pulses bringing these more in line with international standards (see [GAIN- JORDAN \(No. JO18013\) – Jordan Grain Inspection and Sampling Workshop a Success](#)).

## 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.

### Production, Supply and Demand Data Statistics:

Corn Market Begin Year Jordan	2017/2018		2018/2019		2019/2020	
	Oct 2017		Oct 2018		Oct 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1	1	1	1	0	1
Beginning Stocks	36	36	21	26	0	11
Production	10	10	10	10	0	10
MY Imports	640	800	800	800	0	835
TY Imports	640	800	800	800	0	800
TY Imp. from U.S.	2	200	0	28	0	200
Total Supply	686	846	831	836	0	856
MY Exports	25	20	25	20	0	21
TY Exports	25	20	25	20	0	21
Feed and Residual	640	800	800	800	0	800
FSI Consumption	0	0	0	5	0	5
Total Consumption	640	800	800	805	0	805
Ending Stocks	21	26	6	11	0	30
Total Distribution	686	846	831	836	0	856
Yield	10	10	10	10	0	10
(1000 HA) ,(1000 MT) ,(MT/HA)						

## RICE, MILLED

### 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 (m<sup>3</sup>) per annum). The Syrian crisis has dramatically increased the country's population (which is on track to double by 2047), making meeting water demand even more critical. 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 forecast Jordan's rice consumption in MY 2019/20 at 186,000 MT, a decrease of 13.5 percent or 29,000 MT down from the USDA official MY 2018/19 estimate of 215,000 metric tons. The drop is due to tighter economic conditions. Rice is a staple of the local diet; annual consumption is slightly under 18 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 forecast Jordan's imports in MY 2019/20 at 190,000 MT, down 17 percent or 40,000 MT from the USDA official MY 2018/19 estimate of 230,000 metric tons. Imports of U.S.-origin rice will however come in around 100,000 MT, and account for over 50 percent of the market. Although U.S.-origin rice is higher cost, market development efforts are paying dividends. Jordanians have developed a preference for U.S. rice. Other major rice suppliers are India, Thailand, and Australia. Post attributes the forecasted drop in overall imports due to Jordan's slow pace of economic growth during the forecast period.

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 lower prices. India- and Hong Kong-origin basmati rice is experiencing detection and rejection issues due to higher than acceptable pesticide residue levels.

Jordanian authorities indicate that the country's maximum residue levels (MRL) 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 and is working on bringing Jordan's MRL regulations in line with those of the European Union. Suppliers caught up in the wake of increased rejections for MRL violations have until September 2019, to come into compliance with the new standards. Post is unaware of any U.S.-origin rice shipments (i.e., non-fumigated, California-origin 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 similar to 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**

Rice in Jordan is imported and distributed through private sector traders. These package the rice and supply retailers.

### Production, Supply and Demand Data Statistics:

Rice, Milled Market Begin Year Jordan	2017/2018		2018/2019		2019/2020	
	Jan 2018		Jan 2018		Jan 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	23	23	13	20	0	18
Milled Production	0	0	0	0	0	0
Rough Production	0	0	0	0	0	0
Milling Rate (.9999)	0	0	0	0	0	0
MY Imports	200	190	230	190	0	190
TY Imports	200	190	230	190	0	190
TY Imp. from U.S.	0	101	0	90	0	100
Total Supply	223	213	243	210	0	208
MY Exports	0	2	0	2	0	2
TY Exports	0	2	0	2	0	2
Consumption and Residual	210	191	215	190	0	186
Ending Stocks	13	20	28	18	0	20
Total Distribution	223	213	243	210	0	208
Yield (Rough)	0	0	0	0	0	0

(1000 HA) ,(1000 MT) ,(MT/HA)