

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 1

MACROECONOMIC AND AGRICULTURAL INDICATORS¹

	UNIT	2000	2005
POPULATION			
Total Population	Millions	4.97	5.70
Rural population	Millions	1.06	1.18
Percentage rural/total population	%	21.3	20.7
Total Labour Force (TLF)	Millions	1.65	1.86
Agricultural Labour Force (ALF)	Millions	0.19	0.19
ALF/TLF	%	11.42	10.43
	UNIT	2000	2003
PRODUCTION			
Gross domestic product per Inhabitant (GDP/Hbt)	\$	1 681	1 626
Agricultural GDP/GDP	%	2.25	2.17
FACTORS OF PRODUCTION			
Area under cultivation	1 000 ha	399	400
Irrigated area	1 000 ha	75	75
Area under cultivation/tractor	Hectares	69.61	69.32
AGRICULTURAL TRADE			
Agricultural imports	Million \$	840	1 020
Agricultural exports	Million \$	294	440
Agricultural exports/total exports	%	15.50	14.29
Agricultural imports/total imports	%	18.36	18.17

¹ Source: Med Agri 2005 and UN Population Statistics 2006.

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 2

OLIVE GROWING IN JORDAN

1. Agronomic aspects

In the year 2001, Jordan had 110 350 ha under olives, 77% of which was dry-farmed. An estimated 85 928 ha (78% of total) were actually bearing crops. In 2006, olive crop area was estimated at 122 000 ha.

The country's olive orchards are quite young because only 4% is over 50 years old.

Mean planting density varies from 120 trees/ha in dry-farmed groves to 150 trees/ha in irrigated orchards.

Orchard yields average approximately 1 300 kg of olives per hectare although they do oscillate widely (from 2 190 to 508 kg/ha).

Approximately 2 700 ha of new olive orchards were planned per annum until 2005 to reach an olive crop area of over 121 000 ha.

The dual-purpose 'Rasi'i' originating from the south of Jordan is the most widespread variety. It is grown in mountainous areas with an annual rainfall of around 330 mm. Owing to its resistance to dry climates it is also spreading to the drier, eastern parts of the country where it is grown under supplemental irrigation. It is hardy and it has a low rooting ability. Although it has an intermediate start of bearing, it ripens very late; its productivity is high and alternate. The percentage oil content of the fruit varies from 15% to 28% depending on the extraction technology employed, the area of origin and the water conditions. It is resistant to cold and to the most common olive diseases and it is tolerant of salinity.

2. Socio-economic aspects

Whilst it accounts for only a small percentage (3.5%) of gross domestic product, agriculture is one of the key branches of Jordan's economy because of its socio-economic importance and environmental benefits. Agriculture provides a source of income for around 15% of the Jordanian population and it helps to stem rural depopulation by providing jobs for roughly 6% of the working population.

Olive growing helps to keep the population in the rural environment because no other form of agriculture is possible in the mountainous areas. Because it can help to reduce erosion it is an extremely effective tool in combating desertification.

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 3

On top of that, olive oil is a versatile ingredient in the kitchen and it has health-promoting properties. It therefore comes as no surprise that the Jordanian authorities are currently taking a keen interest in expanding olive growing, which is a clear priority.

In the year 2000, a total of 64 079 farms had an olive orchard; 84% were less than 5 ha in size and covered more than 55% of acreage. Only 463 farms (0.7%) had over 50 ha, accounting for almost 10% of total crop area.

The olive sector accounts for around 5% of the final agricultural production of Jordan, although this figure varies according to the alternating volume of crops.

In the 1999/00 crop year virgin olive oils fetched an average producer price of Fils 2 500/kg (1 Jordanian Dinar (JOD) = 1 000 Fils).

3. Processing sector

Jordan had 101 olive oil mills in the year 2000 and 81% employed continuous-extraction systems. There were also three olive-pomace oil extraction plants, four table olive processing plants and ten edible oil packing plants. Processing capacity is apparently sufficient to handle current production volumes without delays.

The olives are harvested late to obtain a higher oil content. Each grower's olives are crushed separately and the miller holds back 9.1% of the resultant oil as a processing fee.

From the point of view of product quality, 75% of the oils has an acidity of 1–3.3°; 15% has an acidity of less than 1° and 10% has an acidity of over 3.3°.

4. Production and marketing

Jordan produced an average 23 500 t of olive oil during the four crop years from 2000/01 to 2003/04, in addition to an average 22 900 t of table olives, almost all green table olive preparations.

By the time the young olive orchards (22% of the total) reach full bearing (2005/06 season), Jordan's production could come to 24 000–25 000 t, exceeding the average for the 1990s (13 200 t) by 78%.

The new plantings planned up to 2005 (2 700 ha/year) also have to be taken into account as they could push production up to approximately 30 000 t/year.

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 4

This production will probably be absorbed by the domestic market, thanks to population growth, increased tourism, reporting of the healthy effects of olive oil, more effective marketing and better product quality. According to forecasts, consumption could reach a level of 28 000 t by 2008.

During the four-year reference period (2000/01–2003/04) Jordan consumed an average 21 500 t of olive oil and 21 400 t of table olives per year, falling slightly short of production in both cases.

Jordan engages in little trade in olive oils. During the reference period it imported a net volume of approximately 1500 t per crop year and mean exports barely exceeded 1 500 t/season. Apparent consumption dropped from 5 kg/inhabitant at the outset of the 1970s to 4 kg/inhabitant in the late 1990s. By contrast, per capita consumption of other vegetable oils (soybean, sunflower, rapeseed, palm, etc.) went up from 5 kg/inhabitant in 1971 to 11 kg/inhabitant in 1999.

To sum up, during the period under review, supply and demand have been relatively balanced despite the record harvest of 2002/03 (28 000 t), but this equilibrium could be upset in the immediate future when new orchards start bearing crops. This makes it important to stimulate consumption of olive oil in order to prevent market imbalances

5. Main problems in the Jordanian sector

Besides structural problems, the sector also has to cope with the fact that producers are not properly informed, there is a lack of coordination between olive growers and olive oil processors, there are problems of oil quality and storage and there is no commercial structure.

On the commercial front, there is a heavy preponderance of direct producer sales to the public of 18-kg packs of unfiltered, unlabelled oil, with no identification whatsoever. Processors sell only small quantities of filtered oils in smaller packs. Furthermore, the lack of inspections makes it impossible to check for compliance with minimum quality standards.

An effective information, training and technology transfer policy is needed to find answers to these problems and to help Jordanian farmers and trade professionals in general to overcome the backwardness of the sector and the lack of knowledge about olive-growing techniques.

6. New orchards

The possibility of encouraging new plantings would mean having to search for foreign outlets for Jordanian olive oil, which would come up against the problem of the relatively high domestic prices.

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 5

The most feasible outlets for Jordanian product might be the importing countries of the Arabian Peninsula and the populations of Jordanian-Palestinian origin, although Jordan would have to contend with the competition from the European Community, Syria, Tunisia, Turkey and other countries.

Another possible outlet for surplus production might be to obtain import quotas from the European Community for bulk olive oil, subject to zero or low duties, although this might spark opposition from the producing countries of the European Community.

Hopes of exporting retail packs of product to other markets in the short term could encounter two problems: there might not be enough of the product and it might not be sufficiently attractive or known to business operators on those markets. One possibility might be to stimulate the creation of joint ventures.

7. The Olive Office

The problems facing the olive industry in Jordan and the search for modern solutions to make it more competitive and profitable have led the Jordanian authorities to create the Olive Office. The brief of this innovative agency is to coordinate the action of all the public and private bodies involved in olive growing, processing, trade, research, services, etc. The aim is to solve the existing problems and to ensure the continuation and profitability of the sector by analysing it as a whole and implementing suitable policies in two directions, namely to try to lower local production costs and to carve a place for Jordanian product on world markets. This will be possible if Jordan produces oil of outstanding quality that is able to compete with other brands firmly established on the international markets.

To achieve these goals, the Olive Office means to work in the following areas, in conjunction with the authorities: scientific research, advisory and guidance plans for olive growers, effective information campaigns, preparation of production programmes and planning of requirements, which will be presented to the Directorate for Plant Resources, which will be responsible for their implementation.

In addition, the Office will coordinate and oversee oil quality through the Standards Agency. Quality testing and certification will be needed to improve product, as well as mill inspections and the application of rules ensuring proper mill operation. Other action required will be close tracking of marketing and exports in the drive for increased profitability and competitiveness.

The Office also aims to set up a databank, which is meant to serve as a source of permanently updated information for domestic policy making and international relations. Action in the latter area includes intensifying contacts with the IOC in order to enlist its support and technical assistance, which are necessary for the integral development of the Jordanian sector.

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 6

The organisation chart of the Office will include an advisory committee, an association of trade professionals and scientists (*Association of Friends of the Olive*) and an information unit to assemble information for release to interested parties.

8. Conclusions

The upward trend of olive oil production makes it necessary for business operators to become market-oriented, positioning the consumer at the heart of their decision-making.

Quality has to be the pillar of sectoral development. Applying careful, improved growing, processing and storage methods must be all-round priority objectives.

Close attention has to be paid above all to product differentiation strategies. This equates with careful product presentation, labelling, distinctive signs and use of designations of origin, which are essential to establish Jordanian olive oils solidly on the marketplace and so avoid the risks of losing potential consumers who prefer other cheaper, poorer quality vegetable oils.

Efforts have to continue to be intensified in the promotion area, which is central to boosting consumption, securing the loyalty of existing consumers and attracting new consumers.

OLIVE SECTOR PROFILE¹

I. STATISTICS

A. Statistics on production of olive oils, table olives and other edible oils

1. Olive orchard area and yields

a. Changes in area under olives (ha):

Year	Area planted during the year	Area grubbed during the year	Total area
	Trees for oil + table olives		Trees for oil + table olives
1996	4 560	--	86 564
1997	5 229	--	94 139
1998	5 724	-	99 863
1999	5 598	--	105 461
2000	2 589	--	108 050
2001	2 300		110 350
2002 (prov.)	2 500	--	112 850
2003 (prov.)	2 700	--	115 550
2004 (estimates)	2 800	--	118 350
2005 (estimates)	2 700	--	121 050

b. Total area dedicated to olive growing in 2006 (ha):

Crop	Total crop area (excluding abandoned orchards)			Bearing crop area		
	Dry-farmed	Irrigated	Total	Dry-farmed	Irrigated	Total
Table olives	--	--	--	--	--	--
Oil-olives	--	--	--	--	--	--
Dual-purpose olives	95 200	26 800	122 000	102 300	9 000	111 300
Total	95 200	26 800	122 000	102 300	9 000	111 300

¹ Replies to IOC Executive Secretariat questionnaire.

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 8

c. Average orchard density (no. olive trees/ha):

Type of growing	Trees for oil + trees for table olives
Irrigated	150
Dry-farmed	120

d. Breakdown of olive-growing area, by tree age bracket, in 2001:

Age	Area (ha)	%
< 5 years old	24 420	22.1
5–15 years old	48 330	43.9
16–50 years old	33600	30.4
> 50 years old	4 000	3.6
Total	110 350	100

e. Average production yield (kg olives/ha):

Type of tree	2000/01 crop year	2001/02 crop year
Oil olives + table olives	2 440	1 270

2. Production sector

a. Number of agricultural holdings growing olive trees in 2000:

Olive crop area on holding	No. of holdings	Total olive crop area (ha)
< 1 ha	27 715	8 261
1–5 ha	26 510	25 867
6–10 ha	5 760	10 729
11–20 ha	2418	5 938
21–50 ha	1 213	4 736
> 50 ha	463	5 755
Total	64 079	61 286

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 9

b. Possibilities of mechanisation (cultural practices and harvesting):

Heading	Area (ha)	%
Can be fully mechanised	--	--
Can be partially mechanised	99 310	90
Cannot be mechanised	11 035	10

c. Share of the olive sector (olive oils and table olives) in the final agricultural production of the country in 1999 and 2000 (excluding stockfarming products):

Heading	1999	2000
Olive sector (%)	6%	--
Final agricultural production	100%	100%

d. Production infrastructure (in 2001):

Units	Number	Average production capacity (t/8 hr)
Traditional oil mills	--	--
Oil mills with presses or super-presses	20	412
Continuous-process oil mills (two or three-phase)	81	1 876
Total oil mills	101	2 288

Table olive processing plants	4	5 000 t/year
Olive-pomace oil extraction plants	3	--
Seed oil extraction plants	--	--
Edible oil refineries	10	--

Table olive packing plants	4	5 000 t/year
Edible oil packing plants	10	--

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 10

3. Domestic production of fluid edible vegetable oils and table olives

a. Olive oil and table olive production¹ (t):

Crop years	Production of virgin olive oil	Production of table olives
1996/97 (year)	22 945	16 656
1997/98	14 100	11 002
1998/99	21 413	36 258
1999/00	6 597	8 138
2000/01	27 202	24 293
2001/02	14 429	13 000
2002/03	28 000	28 000
2003/04 (prov.)	25 000	26 500
2004/05 (prov.)	29 000	29 000

b. Olive oil production, by grade, during the 2001/02 and 2002/03 crop years¹ (crop year: 1 November–31 October):

Grades	2001/02 crop year		2002/03 crop year	
	Quantities (t)	%	Quantities (t)	%
Extra, up to 1°	2 164	15	4 200	15
Virgin, 1°– 2°	5 050	35	9 800	35
Ordinary, 2°– 3.3°	5 772	40	11 200	40
Lampante, > 3.3°	1 443	10	2 800	10
Total	14 429	100	28 000	100

¹ Including quantities used for producer household consumption (self-consumption).

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 11

c. Total table olive production, by type, during the 2001/02 and 2002/03 crop years (crop years: 1 September–31 August):

Quantities in net drained weight	2001/02 crop year		2002/03 crop year	
	Quantities (t)	%	Quantities (t)	%
Green table olives	12 740	98	27 440	98
Table olives turning colour	--	--	--	--
Black table olives	260	2	560	2
Total	13 000	100	28 000	100

4. Cost prices during the 1999/00 crop year**a. Production and processing of oil-olives (Fils/kg):**

Place	Headings	Amount
Holding	Average production cost of oil-olives	700
	Average producer price paid for oil-olives	450
	Direct production aid or subsidy	--
Oil mill	Average processing cost of oil-olives	250
	Average producer price paid for virgin olive oils	2 500
	Direct processing aid or subsidy	--

b. Production and processing of table olives:

- On the holding (Fils/kg):

Headings	Green olives	Olives turning colour	Black olives	All types together
Average production cost of table olives	--	--	--	700
Average producer price paid for table olives	--	--	--	400
Direct production aid or subsidy	--	--	--	--

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 12

- At the processing plant (Fils/kg):

Headings	Green olives	Olives turning colour	Black olives	All types together
Average processing cost of table olives	--	--	--	180
Average producer price paid for table olives	1 000	--	1 500	1 250
Direct processing aid or subsidy	--	--	--	--

B. Statistics on consumption and trade

1. Domestic consumption

- a. Quantities consumed of olive oils, olive-pomace oils and other fluid edible vegetable oils (FEVOs):

- Total quantities consumed (t):

Headings	2001/02 crop year	2002/03 crop year
Virgin olive oils consumed by producer households	--	--
Virgin olive oils sold loose	--	--
Packed olive oils	--	--
Packed olive-pomace oils	--	--
Olive oils used in the food processing industry	--	--
Olive-pomace oil used in the food processing industry	--	--
Total olive oils and olive-pomace oils consumed	20 000	25 000

Seed oils for direct consumption	--	--
Seed oils used in the food processing industry	--	--
Total seed oils consumed	38 514	39 394

Grand total FEVOs consumed	58 514	64 394
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JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 13

b. Total quantities of table olives consumed (net drained weight):

- **Total quantities consumed (crop year: 1 September–31 August) (t):**

Headings	2001/02 crop year	2002/03 crop year
Table olives consumed by producer households		
Bulk table olives	--	--
Packed table olives	--	--
Table olives used in the food processing industry		
Total	11 500	26 500

- **Table olive styles during the 1999/00 crop year:**

Styles	Green olives	Olives turning colour	Black olives
Whole ¹	98	--	2
Other	--	--	--
Total	100%	100%	100%

c. Quantities of other fluid edible vegetable oils consumed (FEVOs) (t):

Oils	2002	2003
Soybean oil	2 499	2 562
Cottonseed oil	1 911	1 960
Sunflower oil	882	904
Rapeseed oil	32 830	33 667
Other oils	452	301
Total FEVOs	38 514	39 394

¹ May include cracked but not stoned olives.

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 14

d. Consumption of oils and table olives per head (kg/head):

Edible oils and table olives	2002	2003
Olive oil	--	--
Olive-pomace oil	--	--
Other edible oils (FEVOs)	6.8	6.8
Table olives	--	--

2. Trade in edible oils and table olives:

a. Domestic trade:

- Average¹ domestic trading prices for edible oils in 1999/00 (Fils):

Average prices (Fils/kg)	Extra virgin olive oil ¹	Lampante virgin olive oil	Olive oil	Refined olive oil	Olive-pomace oil	Seed oils
Wholesale stage	1 150	--	--	--	--	340
Retail stage	2 500	--	2 500	--	370	--
Duties & taxes (VAT, ...)	--	--	--	--	--	--

- Average¹ domestic trading prices for table olives in 1999/00:

Average prices (Fils/kg)	Green olives	Olives turning colour	Black olives
Wholesale stage: Whole	370 (FOB) 660 (CIF)	--	--
Stoned	--	--	--
Stuffed	--	--	--
Retail stage: Whole	--	--	--
Stoned	--	--	--
Stuffed	--	--	--
Duties & taxes (VAT, ...)	--	--	--

¹ EUR 1 = FIL 0.63.

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 15

b. International trade:• **Trade in olive oils (t):**

Imports/exports	1999	2000	2001	2002
Imports of olive oils	173	---	500	500
Imports of olive-pomace oils	---	--	--	--
Exports of olive oils	918	469	1 500	2 000
Exports of olive-pomace oils	95	274	ND	ND

• **Trade in other fluid edible vegetable oils (t):**

Imports/exports	1997	1998	1999	2000
Soybean oil imports	13 741	11 334	14 239	9 279
Sunflower oil imports	1 407	4 114	8 433	9 838
Rapeseed oil imports	--	164	583	39
Imports of other oils	199 780	87 330	69 946	100 462
Total FEVO imports	214 928	102 942	93 201	119 618

Soybean oil exports	901	25	1 275	75
Sunflower oil exports	500	407	1 617	152
Rapeseed oil exports	--	--	--	--
Exports of other oils	1 907	806	8 657	2 813
Total FEVO exports	3 308	1 238	11 549	3 040

• **Trade in table olives (t)¹:**

Imports	1998/99	1999/00	2000/01	2001/02
Green table olives	--	--	--	--
Table olives turning colour	52	55	50	80
Black table olives	62	383	60	420
Total table olives	114	438	100	500

¹ Table olive crop year: 1 September–31 August.

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 16

Exports	1998/99	1999/00	2000/01	2001/02
Green table olives	170	1 017	1 365	359
Table olives turning colour	--	--	--	--
Black table olives	435	624	409	663
Total table olives	605	1 641	1 774	1 022

- Trade in oilseeds (t)

Imports/exports	1997	1998	1999	2000
Soybean imports	--	--	--	--
Rapeseed imports	5 350	19 177	7 837	8 652
Sunflower seed imports	--	--	--	--
Imports of other seeds	13 794	10 910	13 250	12 680
Total seed imports	19 144	30 087	21 087	20 332

Soybean exports	--	--	--	--
Rapeseed exports	--	--	--	--
Sunflower seed exports	--	--	--	1
Exports of other seeds	3	2	23	127
Total seed exports	3	2	23	128

c. Share of the olive sector (olive oils and table olives) in the total agricultural trade of the country in 2001 and 2002 (excluding stockfarming products):

Heading	2001	2002
Olive sector exports (%)	2%	0.6%
Total agricultural exports	100%	100%

Heading	2001	2002
Olive sector imports (%)	0.5%	0.2%
Total agricultural imports	100%	100%

JORDAN

E.108/Doc. no. 4

Update no. 31

Ref.: 18 – page 17

II. ORGANISATION OF PRODUCTION SECTOR

A. General arrangements

1. Governmental intervention concerning production capacity (olive tree, products and by-products) and its modernisation

a. Storage of olive oils and olive-pomace oils:

i) Purchase price of oils for storage, by grade¹ (price/t):

- JOD 2 200/t

ii) Delivery prices and arrangements for stored oils, by grade¹ (price/t):

- JOD 2 20 –2 700/t

III. ORGANISATION OF TRADE AND CONSUMPTION SECTORS

General arrangements

1. International trade; customs duties and miscellaneous aid for edible oils, oilseeds and table olives

a. Olive oils and olive-pomace oils:

Product	HS code ²	Imports ³	Exports ³
Olives oils, virgin and/or refined	15 09	+30%	--
Olive-pomace oils, crude and/or refined	15 10	+30%	--

¹ EUR 1 = FIL 0.63.

² Nomenclature of Harmonised Commodity Description and Coding System

³ Taxes (+), refunds (-), premiums (-) or other.