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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
Vienna International Centre, P.O. Box 300, 1400 Vienna, Austria
Tel: (+43-1) 26026-0 · www.unido.org · unido@unido.org

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FOOD PROCESSING INDUSTRY IN JORDAN 1/

by

Remon Halteh*

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* Engineer, Jordan Standard Specifications Directorate
Ministry of National Economy

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INTRODUCTION

The agricultural sector occupies an important place in the Jordanian economy: 20% GDP comes from agriculture and about 40% of the total labour force is engaged in it. Exports of agricultural commodities represent 50% of the total value of exports. However, this sector is still unable to satisfy the country's needs of various food and agricultural products. Imports of there product during the period. 1967 - 1971 amounted to JD. 19.5 million; while exports during the same period didn't exceed JD. 5.2 million, which shows a deficit in the trade balance of the agricultural commodities of about JD. 14.3 million.

However, the total agricultural output in the east Bank of Jordan comes from utilizing 6-7% of the land in this part of the kingdom. This output is affected not only by the area utilized but also by a number of interelated factors that necessitate the review of the general agricultural situation in the country.

PROBLEMS FACED IN AGRICULTURE

Agriculture and agricultural industries are faced with many problems. These problems are shared with most developing countries and contributes to the Food shortage in the world due to rapid increase in population. Modernizing agriculture and developing agricultural industries, in the developing countries, will reduce the burdens inflicted upon the world Food production.

Jordan, in particular, is facing many minute problems which accumulate to hinder the development of agricultural industries and the achievement of goals prescribed. These problems can be easily solved if proper co-operation on the regional and international levels is achieved. Jordan problems can be summarized as follows:-

1) Fragmentation and small size of agricultural holdings. This contributes to a higher cost of production, limited investment and low agricultural output.

2) Prevalence of traditional croppings patterns that don't lead to maximum output and contribute to soil explotation and a decrease in fertility.

3) Deterioration of land productivity as a result of errosion and the lack of sound soil and water conservation practices; also, cereal planting in the marginal areas and disorganized grazing. This steeps has contributed to aridity and mass cattle destruction in dry seasons.

4) Lack of effective co-ordination between the agencies involved in agriculture. This lack of co-ordination causes waste, and poor gauidance, and leads to conflict in objectives and means of communication between their agencies and the farmers.

5) Lack of organised bodies that represent farmers; also weakness of the co-operative societies.

6) Weakness of agr-marketing, reflected in the lack of efficient marketing servises and facilities. This has resulted in a proliferation of middlemen and hence to higher consumer prices and lower farmer revenue.

7) Utilization of a large percentage of the cultivable land on a rent or share cropping basis, which causes a decrease in national agricultural output as a result of inequality in cost and return sharing between the land lords and the tenants and lack of security and investment in centires for the tenant.

8) prevalence of seasonal, disorganized and chronic unemployment of farmers.

9) Insufficient capital available for agricultural investment and some complicated lending procedures.

10) Lack and inefficient utilization of water resources for agricultural purposes.

In accordance with Jordan three years development plan (73-75) many new policy measures are being enforced to cope with the above mentioned problems within our capabilities.

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MAJOR EXISTING AND PLANNED AGRICULTURAL INDUSTRIES

To accompany the world increasing industrial drive, Jordan started recently in modernization of its industries. The agricultural industries are given first priority to cope with the increasing local demand of processed agricultural Products and to complete in the export markets.

To achieve such goals, scientific planning for this sector of industry is employed. Many feasibility studies have been done to evaluate the ongoing and proposed agricultural projects and specialized authorities are assigned to follow up and evaluate the implementation of these projects.

All above, summarize the general economic and agricultural situation in Jordan, and will serve as an introduction to the required discussions of this conference.

I'll restrict my discussion about the Jordan agricultural industries to the proposed subjects of this meeting.

1- Sugar Industry

Feasibility study for this project have been completed after the conduction of experimental plantation of beet sugar. This study proved to be economically and technically feasible.

2- Vegetable Oils And Fats

Ghee Industry

There is only one factory producing hydrogenated fats. Its is located in the west bank of Jordan and its annual capacity is about (6,000 Tons) which is consumed locally. Raw materials used is mainly Palm oil which is imported from (South East Asia..

Edible Oils

Edible Oil produced in Jordan is only Olive Oil. The annual production was about (6,000) Tons in 1972. Most of it is consumed as such, and a small part of it is used in the soap industry.

3- Fruits and Vegetable Canning, and Preservation.

The annual production of the East bank of Jordan from Vegetables and Fruits is about 350,000 and 1[illegible]0,000 tons respectively. Most of this production is consumed fresh locally or exported as such.

On the other hand, tomato paste is being produced in the West bank of Jordan, and another new plant in the processing of tomato paste and other vegetables and fruits is under construction with annual capacity of 4,000 tons of tomato paste and 600 tons of other vegetables and fruits.

This project is located in the industrial area of Amman. The estimated cost of this plant is approximately 160,000 JD.

4. ANIMAL FEED INDUSTRY

- Raw materials:

Feed industry in Jordan mainly depends on imported ingrediants such as corn, soya meal, and different concentrates.

Since most of raw materials are imported, the international market fluctuation reflects directly upon local prices of finished feed.

Feed stores available in Jordan is sufficient only for 6 to 9 month consumption, this is due to the lack of enough storage areas, the added cost of storage, and capital freezing.

- Production Capacity:

Two factories are in operation since 1962, and a third plant is under construction.

The present total consumptional (about 53,000 tons) Jordan is being met by the existing factories.

Feed Quality produced is complying with Jordan Standards which is sufficing the nutritional requirements of the different needs.

These two factories are licenced in co-operation with foreign feed manufacturers. Foreign contribution is only concerned with mixing ratios depending on the availability of local and imported raw materials.

The main problems hindering the production of this industry can be summarized as follows:-

1- AQBA Being the only sea exit for Jordan, all imported raw materials are to be secured through this port. This will add up to the final cost of most product including feed staffs.

This fact is providing Jordanian feeds with difficulties in competing with imported Lebanees feeds for which the raw materials are secured with cheaper transportation, better storage facilities, and being closer to the European market, the orgion of most feed raw materials, Available Products

Jordan feed factories Produce all kinds of feeds needed for Poultry and Cattle. About [illegible] of Production goes to Poultry consumption.

TYPES OF POULTRY FEED PRODUCED

- Broiler Feed (Starter and Finisher)
- Layers Feed (Chick starter feed
  Growing Period feed
  Laying Period feed)
- Breeder Feed for parent stock.

The following tabulated data indicates the consumption rates over a period of ten years (1964-1973) and the expected consumption for the 1974-1978 period.

YEAR	QUANTITY CONSUMED IN TONS	YEAR	QUANTITY CONSUMED IN TONS
1964	10,000	1974	53,000
1965	14,000	1975	73,000
1966	15,000	1976	80,000
1967	[illegible]	1977	84,000
1968	17,000	1978	8[illegible],000
1969	26,000		
1970	28,000		
1971	38,000		
1972	51,000		
1973	45,000		

Feed Prices in Jordan during the Past ten years

Year	Price J.D/Ton
1965	49
1966	54
1970	56
1973	67.5
1974	[illegible]

Since factories started production the government of Jordan had the right of supervision and setting local prices per ton. Lately, due to the international market fluctuations and the difficulties faced by the factories to secure raw material and its prices, the Government left its price control restriction and let the supply and demand to prescribe the pricing.

CONCLUSION

To remedy the above difficulties and to make the feed industry stands firmly, I suggest the following:-

1- Surveying and exploiting the local raw materials.
2- Employing the waste products of other related industries.
3- Improving fishing facilities in the Aqaba area to obtain fish meal.

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