

الجمعية الأردنية لمصدري ومنتجي الخضار والفواكه
Jordan Exporters and Producers Association
For Fruit and Vegetables
JEPA

"Facts of loosing Export Revenues for Fruit and Vegetables "

Issue no.8

February 2007

Studies & research department

Eng. Fadwa Abdul Qader

Eng. Mamdoh Almaanaseer

Tel: (9626)5699631 /32 Fax:(9626)5699630

P.O.Box: 930058 Amman 11193 Jordan

jepa@jepa.org.jo

<http://www.jepa.org.jo>

At a meeting held last month, between His Excellency The Minister of Agriculture – Dr. Mustafa Qrunfleh and main agricultural officials in Jordan to discuss problems of Jordanian fresh exports from fruits and vegetables.

His Excellency, stated that Jordan is losing 50 per cent of export revenue from fruit and vegetable produce sold to neighboring countries because of an inefficient shipping process and a disregard of central market regulations, according to agriculture officials. Produce is being picked straight from the field and shipped in trucks without the grading and cooling process; this reduces the value of the product and is in itself a real loss to the economy,” The heat of field from picked produce shall be removed to sustain longer shelf life.

Since the farmers are selling to shippers whom are not qualified exporters, and middle man shippers are profiting 100% which is why farmers wouldn't go through extra measures before exporting .And farmers pay labor and natural resources, so the only solution is quality control and fair auction in the central market. “It is a worldwide practice; all produce is sent to a central market, where the daily reference price is set according to supply, demand and quality,” said Haitham Jwienat, director of the central market Department at the Greater Amman Municipality (GAM).

Currently tomatoes account for half of all agricultural exports, and they go to Syria, Lebanon, Iraq and the Gulf region, according to the Grater Amman municipality (GAM). The problem, according to all sides, is not the local sale of fruits and vegetables as these are sold at the central market, or exports to Europe that go through a rigorous and detailed process, it is the sale of produce to neighboring countries bypassing the central market and going directly from the fields.

Further more , if competition is not transparent, theoretically wholesalers can collectively agree on a buying rate and the farmer stays in the dark,” Agriculture Ministry Spokesperson Mahmoud Najdawi told The Jordan Times.

He added that the farmer is content to sell directly to the exporter because he feels that he has saved himself the expense of municipality fees collected by the central market, which is four per cent of a sale — half paid by the farmer and the other half by the buyer.

The GAM recently proposed slashing the fee in half and imposing a JD100 fine on trucks that do not enter the central market in an effort to resolve the problem, but this caused an uproar among the Jordan Farmers Union (JFU) and the Syndicate of Fruits and Vegetables Traders and Exporters.

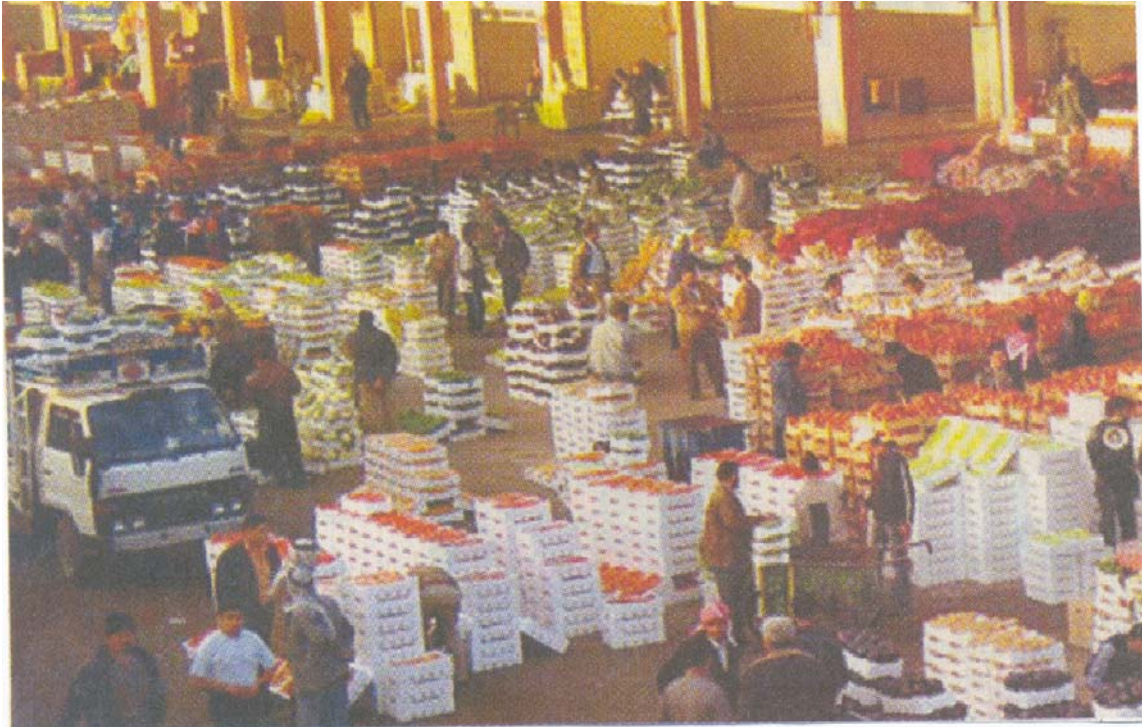


Fig (1). General View of the vegetable and fruit Central wholesale Market.

At a meeting held on February 1 — the day the new measures were to come into effect — the GAM, the Agriculture Ministry, the farmers union and exporters’ syndicate signed a new agreement stipulating that municipalities cannot collect double tax and reducing the truck fine to five dinars.

The average truckload of produce is worth JD500 - 1000, according to the central market director. According to the JFU, which supports the exporters’ position, the majority of farmers do not want to sell their export produce from the central market.

What the farmers want — not necessarily legal — is to continue dealing with the exporter outside the market. They worry that the prices will go down if all the produce is sent to the central market. Also, the farmer usually ends up paying the full municipality fees because the exporter will cut it from the sale one way or another,” JFU President Jamal Maqableh told The Jordan Times.

Some members of the 150-strong Jordan Exports and Producers Association (JEPA) for Fruits and Vegetables, which grow produce specifically for export, feel that farmers are getting ripped off.

JEPA Vice President Abdullah Al Zaben Jordanian produce is top grade and the best in the region for chemical control, emphasizing that it is the local farmer who is missing out on huge opportunities.

Agronomist and farmer Mazen Hamarneh, however, believes the key issue is that farmers are being controlled by the exporters and used as tools against the municipality to oppose proposals meant to revive the central market.

Mr. Ishaq Madanat also added that shippers are picking up large quantities of produce, directly sending it to the Gulf, then calling the farmers the next day to inform them of the buying price. If all produce is sent to the market, farmers would expand ventures and prices will be lower for the end consumer

According to the wholesale market member, the market itself needs upgrading by adding an auditorium with large screens displaying prices, restaurants and amenities to bring the business in.

Meanwhile, a recent study on the situation of the country's agricultural sector, revealed that both Jordan and Israel produce two million tones of fruits and vegetables annually, but the value of Israeli produce is estimated at \$2 billion while Jordanian products amount to \$500 million although the Kingdom has more agricultural land.

The study was presented at a meeting His Majesty King Abdullah held with members of the agriculture sector last month, where he said the sector was "a national priority as it is a basic pillar of the economic, social and environmental development process."

Qrunfleh highlighted on the value of the product being cropped, that to courage the Jordanian producers to grow products that are in global and regional demand thus can raise the profits. (1)

(1) . The Jordan Times, Volume 32 / number 9509 , Wednesday 14th Feb , 2007.