

WORLD TRADE ORGANIZATION

RESTRICTED

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**Working Party on the
Accession of Jordan**

ACCESSION OF JORDAN

Domestic Support and Export Subsidies

The Ministry of Industry and Trade of Jordan has submitted the information on domestic support and export subsidies.

DOMESTIC SUPPORT: JORDAN
 REPORTING PERIOD: Average of calendar years 1994-96
 Measures exempt from the reduction commitment--"Green Box"

Measures type	Name & Description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measure in year in question (JD)	Data sources
1	2	3	4
Total value of green box policy expenditures		77,081,499	Budgets of the Ministry of Agriculture and its subsidiary agencies; to Ministry of Supply, Ministry of Water and Irrigation, Ministry of Finance, Ministry of Public Works, Ministry of Industry and Trade, Amman Municipality, Royal Statistical Society, Ministry of Health, Agricultural Marketing and Processing Company of Jordan, and Agricultural Marketing Organization.
General services		12,814,833	
Research		2,121,611	
Inspection Services		1,267,733	
Marketing and Promotion		395,333	
Pest and Disease Control		765,484	
Extension and Advisory Services		257,338	
Infrastructure		8,007,333	
Agricultural Roads		192,667	
Dams		900,667	
Irrigation Systems		857,667	
Rural Electricity		6,056,333	
Public stockholding for food security purposes		0	
Domestic food aid		64,266,667	

Note: US\$1 = JD 0.71 in 1997.

Supporting Table DS:2

DOMESTIC SUPPORT: JORDAN
REPORTING PERIOD: Average of calendar years 1994-96
Measures exempt from the reduction commitment-Special and Differential Treatment - "Development Programmes"

Measures type	Name and description of measure	Monetary value of measure in year in question (JD)	Data sources
1	2	3	4
Investment subsidies generally available to agriculture	Value of interest rate subsidy on exempt developmental loans made by the ACC to agricultural producers (as per Part IV, Article 6, paragraph 2).	716733.8655	
Input subsidies available to low-income or resource-poor producers		--	

Note: US\$1 = JD 0.71 in 1997.

DOMESTIC SUPPORT: JORDAN

REPORTING PERIOD: Calendar years 1994-1997

Measures exempt from the reduction commitment – Direct Payments under Production-Limiting Programmes – “Exempt Direct Payments”

NOTE: NO SUCH PROGRAMS IN JORDAN

Supporting Table DS:4

DOMESTIC SUPPORT: JORDAN
 REPORTING PERIOD: Average of calendar years 1994-96
 Calculation of the total Aggregate Measurement of Support
 US\$=JD(0.71)

Description of basic products and non-product specific AMS	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below) (JD)	Product-specific measurement of support (from Supporting Tables DS:8 below) (JD)	Current Total AMS (JD)
1	2	3	4
Wheat	221201.8499	0	221201.8499
Barley	531601.7791	0	531601.7791
Lentils	8033.212251	0	8033.212251
Chickpeas	56710.36447	0	56710.36447
Livestock feed	16574035.48	0	16574035.48
Non-product specific support			15417731.4
Capital			322995.7335
Water			94735.66667
Income tax exclusion			15000000
Total AMS before exclusions			32809314.09
Value of production, all agriculture			544112695.9
AMS share of value of agricultural production (per cent)			6.029874755

<u>Exclusions under the 'de minimus' rule:</u>			
	<u>Value of production (JD)</u>	<u>AMS/Value of production</u>	
Wheat	8090475.565	0.027341019	-221201.8499
Barley	3785769.947	0.140421047	0
Lentils	648057.0407	0.012395841	-8033.212251
Chickpeas	496777.1891	0.114156539	0
Livestock feed	330763920.3	0.050108354	-16574035.48
Non-product specific support		0.028335548	-15417731.4
Total AMS after exclusions			588312.1436
AMS/Value of production			0.001081232

Supporting Table DS.5

DOMESTIC SUPPORT: JORDAN
REPORTING PERIOD: Calendar years 1990-1997
Product-Specific Aggregate Measurements of Support: Market Price Support

Product	Year or period	Measure type(s)	Applied administered price (JD/ton)	External reference price (JD/ton)	Eligible production (metric tons)	Associated fees/levies	Total market price support (JD)	Data sources
1	2	3	4	5	6	7	8	9
Wheat	1990	Price support procurement	145.4	125.9	32,378	0	632,066	Ministry of Agriculture Department of Statistics Ministry of Supply
	1991		146.2	105.4	32,670	0	1,332,337	
	1992		144.9	123.9	67,874	0	1,428,453	
	1993		147.0	127.2	49,918	0	985,391	
	1994		145.8	123.8	35,926	0	788,796	
	1995		160.4	159.4	48,219	0	46,228	
	1996		190.1	208.0	36,570	0	-653,174	
	1997		196.8	161.2	19,230	0	684,188	
	Avg. 1994-96		165.4	163.7	40,238		60,617	
	Avg. 1995-97		182.4	176.2	34,673		25,747	
Barley	1990	Price support procurement	104.9	104.9	9,350	0	604	Ministry of Agriculture Department of Statistics Ministry of Supply
	1991		104.7	91.9	9,419	0	119,926	
	1992		104.5	86.9	53,234	0	937,423	
	1993		105.0	83.8	8,629	0	182,508	
	1994		104.7	79.5	11,384	0	287,078	
	1995		124.2	87.5	26,076	0	956,991	
	1996		159.2	136.9	11,979	0	267,029	
	1997		0.0	115.0	0	0	0	
	Avg. 1994-96		129.4	101.3	16,480		503,699	
	Avg. 1995-97		94.5	113.1	12,685		408,007	
Lentils	1990	Price support procurement	266.3	364.5	92	0	-9,032	Ministry of Agriculture Department of Statistics Ministry of Supply
	1991		254.9	365.5	91	0	-10,056	
	1992		289.4	444.2	1483	0	-229,609	
	1993		301.4	301.5	70	0	-5	
	1994		0.0	271.8	0	0	0	
	1995		331.2	344.4	1821	0	-23,987	
	1996		376.9	341.7	1175	0	41,294	
	1997		0.0	361.3	0	0	0	
	Avg. 1994-96		236.0	319.3	999		5,769	
	Avg. 1995-97		236.0	349.1	999		5,769	

1	2	3	4	5	6	7	8	9
Chickpeas	1990	Price support procurement	339.9	383.1	947	0	-40,886	Ministry of Agriculture Department of Statistics Ministry of Supply
	1991		333.4	381.0	1053	0	-50,121	
	1992		341.3	347.6	1638	0	-10,193	
	1993		350.0	297.3	2354	0	124,041	
	1994		317.1	313.8	795	0	2,594	
	1995		0.0	499.7	0	0	0	
	1996		444.2	376.8	2461	0	165,959	
	1997		0.0	312.6	0	0	0	
	1998		0.0	n/a	0	0	0	
	1999		0.0	n/a	0	0	0	
	2000		0.0	n/a	0	0	0	
	Avg. 1994-96		253.8	397	1,085		56,184	

Note: US\$1 = JD 0.71 in 1997.

Documentation for Supporting Table DS:5

Wheat

Applied administered price	Average price paid by MOS to farmers for consumption wheat; computed as total amount paid to farmers (i.e., excludes MOS domestic handling costs), divided by the total amount of wheat purchased by MOS (all MOS supplied data).
External reference price	Average total price paid by MOS for imports of wheat, adjusted for quality differential (i.e., from hard winter wheat to durum equivalent); computed as total cost of imports plus cost of moving wheat from Aqaba to silos in Amman divided by total MOS imports of wheat times 1.125 where 12.5% is the estimated price differential between hard winter and durum wheat in US and Canadian markets (MOS data + authors' estimate).
Eligible production	Quantity of consumption wheat actually purchased by MOS from farmers (all MOS supplied data).

Barley

Applied administered price	Average price paid by MOS to farmers for barley; computed as total amount paid to farmers divided by the total amount of barley purchased by MOS (all MOS supplied data).
External reference price	Average price paid by MOS for imports of barley; computed as total cost of imports plus cost of moving barley from Aqaba to silos in Amman divided by total MOS imports of barley (all MOS data).
Eligible production	Quantity of barley actually purchased by MOS from farmers (all MOS supplied data).

Lentils

Applied administered price	Average price paid by MOS to farmers for lentils; computed as total amount paid to farmers divided by the total amount of lentils purchased (for consumption) by MOS (all MOS supplied data).
External reference price	Average import unit value of lentils; computed as DOS value of imports divided by DOS import volume (all DOS data).
Eligible production	Quantity of lentils actually purchased by MOS (all MOS supplied data).

Chickpeas

Applied administered price	Average price paid by MOS to farmers for chickpeas; computed as total amount paid to farmers divided by the total amount of chickpeas purchased (for consumption) by MOS (all MOS supplied data).
External reference price	Average import unit value of chickpeas; computed as DOS value of imports divided by DOS import volume (all DOS data).
Eligible production	Quantity of chickpeas actually purchased by MOS (all MOS supplied data).

DOMESTIC SUPPORT: JORDAN
REPORTING PERIOD: Calendar years 1994-1997
Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments

NOTE: NO SUCH PROGRAMS IN JORDAN

DOMESTIC SUPPORT: JORDAN
REPORTING PERIOD: Calendar Years 1994-1997
Product-Specific Equivalent Measurements of Support: Other Product Specific Support and Total Product-Specific AMS

Product	Year or period	Measure type(s)	Product acquisition cost (JD/ton)	Product sale price (JD/ton)	Eligible quantity (metric tons)	Associated fees/levies	Total other product specific support (JD)	Market price support (Supporting Table DS:5) (JD)	Non-exempt direct payments (Support Table DS:6)	Total AMS (JD)	Data sources
1	2	3	4	5	6	7	8 (4-5)*6-7	9	10	11 (7+8+9-10)	12
Wheat	1994	Seed sales	201	156	3,400		154,357	788,796	n/a	943,153	Ministry of Supply Jordan Cooperative Corporation
	1995		230	172	3,100		180,560	46,228	n/a	226,788	
	1996		254	195	2,500		146,839	-653,174	n/a	-506,335	
	Avg. 1994-96		228	174	3,000		160,585	60,617		221,202	
Barley	1994	Seed sales	151	116	1,065		37,543	287,078	n/a	324,621	Ministry of Supply Jordan Cooperative Corporation
	1995		175	132	119		5,100	956,991	n/a	962,091	
	1996		212	132	516		41,065	267,029	n/a	308,093	
	Avg. 1994-96		179	127	567		27,903	503,699		531,602	
Lentils	1994	Seed sales	345	316	35		1,012	0	n/a	1,012	Ministry of Supply Jordan Cooperative Corporation
	1995		387	332	13		719	-23,987	n/a	-23,268	
	1996		440	332	47		5,062	41,294	n/a	46,356	
	Avg. 1994-96		391	327	32		2,264	5,769		8,033	
Chickpeas	1994	Seed sales	767	322	1		445	2,594	n/a	3,039	Ministry of Supply Jordan Cooperative Corporation
	1995		499	332	5		833	0	n/a	833	
	1996		532	382	2		300	165,959	n/a	166,259	
	Avg. 1994-96		599	345	3		526	56,184		56,710	
Livestock	1994	Government feed sales					28,002,082	n/a	n/a	28,002,082	Ministry of Supply Jordan Cooperative Corporation
	1995						-4,246,309	n/a	n/a	-4,246,309	
	1996						25,966,333	n/a	n/a	25,966,333	
	Avg. 1994-96						16,574,035			16,574,035	

Note: US\$1 = JD 0.71 in 1997; "n/a" means not applicable.

Documentation for Supporting Table DS:7

All commodities, seed sales

Other product specific support	Value of payments to seed producers in excess of sale price for seeds; computed as difference between total unit acquisition cost and sale price, multiplied by the quantity subject to subsidy.
Applied administered price	Sale price of seed in JCC outlets to farmers (JCC data).
Reference price	Average total per unit cost of MOS and JCC; total amount paid to farmers for seed plus costs of moving, fumigating, and preparing seed for sale, divided by the total quantity of seeds purchased by MOS and JCC (MOS and JCC data).
Quantity subject to subsidy	Quantity of seeds sold to producers in the calendar year (JCC data).

Livestock feed subsidy

Other product specific support	Total cost to MOS of procuring barley, corn, and wheat bran less revenue from sales of barley, corn, and wheat bran to farmers and feed mills.
Barley acquisition cost	Weighted average of the unit barley procurement cost and unit barley import cost. Each cost is weighted by the total procurement and total imports, respectively (MOS data and authors' calculations).
Barley full procurement cost	Total cost to MOS of procuring barley, including amount paid to farmers for barley for consumption and costs of moving barley domestically to distribution centers (MOS data).
Barley full import cost	Total cost to MOS of importing barley, including cost to Aqaba plus costs to transport grain to silos in Amman (MOS data).
Barley sale price	Announced sale price for barley for fodder. Calendar year average computed as a simple average of monthly prices (MOS data).
Eligible product	Total quantity of barley sold to livestock producers and feed mills by MOS in the calendar year (MOS data).
Corn acquisition cost	Total cost to MOS of importing corn, including cost to Aqaba plus costs to transport grain to silos in Amman, divided by MOS imports of corn (MOS data).
Corn sale price	Announced sale price for corn for fodder. Calendar year average computed as a simple average of monthly prices (MOS data).
Eligible product	Total quantity of corn sold to livestock producers and feed mills by MOS in the calendar year (MOS data).
Wheat bran acquisition cost	Weighted average of the unit wheat bran procurement cost and unit wheat bran import cost. Each cost is weighted by the total procurement and total imports, respectively (MOS data and authors' calculations).
Wheat bran full procurement cost	Total cost to MOS of procuring wheat bran. Computed as the percentage yield of wheat bran from wheat milled for flour times the full acquisition cost of wheat for consumption (including costs of moving wheat domestically) (MOS data).
Wheat bran full import cost	Total cost to MOS of importing wheat bran, including cost to Aqaba plus costs to transport grain to silos in Amman (MOS data).
Wheat bran sale price	Announced sale price for wheat bran for fodder. Calendar year average computed as a simple average of monthly prices (MOS data).
Eligible product	Total quantity of wheat bran sold to livestock producers and feed mills by MOS in the calendar year (MOS data).

DOMESTIC SUPPORT: JORDAN
REPORTING PERIOD: Calendar years 1994-1997
Product-Specific Equivalent Measurements of Support

NOTE: NO SUCH MEASURES IN JORDAN

Supporting Table DS:9

DOMESTIC SUPPORT: JORDAN
REPORTING PERIOD: Calendar Years 1990-1997
Non-Product-Specific AMS

Measure type(s)	Year or period	Non-product-specific budgetary outlays	Other non-product- specific support (JD)	Associated fees/levies	Total non-product specific- support (JD)	Data sources
1	2	3	4	5	6 (3+4-5)	7
Water subsidy in the Jordan Valley	1990		2,904,949		2,904,949	Ministry of Water and Irrigation/ Jordan Valley Authority
	1991		3,232,915		3,232,915	
	1992		4,006,813		4,006,813	
	1993		669,524		669,524	
	1994		143,977		143,977	
	1995		78,093		78,093	
	1996		62,137		62,137	
	Avg. 1994-96		94,736		94,736	
Interest rate subsidy on operational loans and non- exempt "developmental loans"	1990		n/a		n/a	Agricultural Credit Corporation / Jordan Cooperative Corporation / Central Bank of Jordan / Industrial Development Bank of Jordan
	1991		n/a		n/a	
	1992		n/a		n/a	
	1993		n/a		n/a	
	1994		240,173		240,173	
	1995		312,969		312,969	
	1996		415,845		415,845	
	Avg. 1994-96		322,996		322,996	
Income tax exclusion for agricultural products	1990		n/a		n/a	Income tax law / Department of Statistics / Ministry of Agriculture
	1991		n/a		n/a	
	1992		n/a		n/a	
	1993		n/a		n/a	
	1994		15,000,000		15,000,000	
	1995		15,000,000		15,000,000	
	1996		15,000,000		15,000,000	
	Avg. 1994-96		15,000,000		15,000,000	

Note: US\$1 = JD 0.71 in 1997; "n/a" means not available.

Documentation for Supporting Table DS:9

<u>Water subsidy in Jordan Valley</u>	Difference between the average operating and maintenance unit cost of water to agriculture and the average price paid by agricultural users, times water used by agriculture.
Average price paid for water	Total receipts by JWA for water from agricultural users (JWA).
Average operating and maintenance cost for agricultural water	Total costs of supplying water to all users times share of water used by agriculture, divided by total water used by agriculture (JWA data).
Eligible quantity	Cubic meters of water sold for agricultural purposes (JWA data).
<u>Interest rate subsidy</u>	Sum of operational loans and non-exempt developmental loans subsidies plus value of forgiven loans by JCC.
Operational loans subsidy	Value of operational loans times the difference between the ACC and commercial bank interest rates for comparable loan terms.
Operational loans	Value of operational loans defined as total seasonal and short-term (up to 24 months) loans made by ACC to any size holder (ACC data).
Interest rate on operational loans from ACC	Weighted-average of interest rate on seasonal and short term loans; weighted by value of loan (ACC data).
Interest rate on operational loans from commercial banks	Weighted-average of interest rates on overdrafts and loans and advances made by commercial banks; weighted by share of each type of loan in commercial bank loan total (Central Bank of Jordan).
Non-exempt developmental loans subsidy	Value of non-exempt developmental loans times the difference between the ACC and Industrial Development Bank interest rate for loans.
Non-exempt development loans	Value of developmental (medium and long-term loans) made by ACC for rural housing. Note that data also include loans for farm buildings which is exempt but are unable to separate the two by value of loan (ACC data).
Interest rate on non-exempt developmental loans from ACC	Weighted-average of interest rate on developmental (medium and long term loans) given by ACC; weighted by value of loan (ACC data).
Interest rate on developmental loans from commercial banks	Interest rate plus commission fees for medium and long-term loans made by the Industrial Development Bank of Jordan (IDB data).
Forgiven loans	Value of principal and interest forgiven annually by JCC (JCC data).
<u>Income tax exclusion</u>	Estimated value of revenue foregone by government due to income tax exclusion computed as:
Jordan Valley farms average income (JD/farm)	15,000 Estimate
Eastern highlands average income (JD/farm)	12,000 Estimate
Average number of persons in farm household (persons)	6 Estimate based on preliminary 1997 Census data
Income exclusions (JD/farm)	3,994 Tax Law
Net taxable income, Jordan Valley farms (JD/farm)	11,006 Calculated
Number of Jordan Valley farms (farms)	4,000 Estimate based on preliminary 1997 Census data
Average tax revenue foregone from Jordan Valley farms (JD)	1,501 Tax Law
Net taxable income, eastern highlands (JD/farm)	8,006 Calculated
Number of eastern highlands farms (farms)	10,000 Estimate based on preliminary 1997 Census data
Average tax revenue foregone from eastern highlands farms (JD)	901 Tax Law
Total value of income tax foregone (JD)	15,016,748 Calculated

- Notes:
1. Farmers with holdings of less than 30 dunum are assumed to earn less than the average excludable income.
 2. Farmers with holdings of up to 200-300 dunum in the western highlands and plains are assumed to earn less than the average excludable income.

EXPORT SUBSIDIES: JORDAN
REPORTING PERIOD: Calendar years 1994-1997
Export Subsidies: Outlay and Quantity

NOTE: NO SUCH PROGRAMS IN JORDAN
