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## Syria

### Grain and Feed

### Annual

### 2002

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#### Report Highlights:

**The 2001 wheat crop was a record, thanks to good rainfall. An estimated 4.5 million tons were produced from 1.5 million hectares. Wheat stocks have increased, permitting exports of perhaps 500,000 tons before the next crop is harvested. The barley crop was also good and is estimated at about 1.3 million tons. Barley imports continue in spite of the good crop. Corn imports hit a record level of 800,000 MT (750,000 MT from the U.S.) due to the increase in demand for feed and due to the relatively low corn prices. Egypt has become the major supplier of rice due to competitive prices as well as the possibility of small shipments.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
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## Wheat

### Production

PSD Table						
Country:	Syria					
Commodity:	Wheat					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	1200	1200	1500	1500		1500
Beginning Stocks	3670	3670	3300	3280		4095
Production	2700	2700	4500	4500		4500
TOTAL Mkt. Yr. Imports	50	30	50	30		50
Jul-Jun Imports	50	30	50	30		50
Jul-Jun Import U.S.	0	0	0	0		0
TOTAL SUPPLY	6420	6400	7850	7810		8645
TOTAL Mkt. Yr. Exports	0	0	300	500		1000
Jul-Jun Exports	0	0	300	500		1000
Feed Dom. Consumption	300	300	300	300		300
TOTAL Dom. Consumption	3120	3120	3200	3215		3310
Ending Stocks	3300	3280	4350	4095		4335
TOTAL DISTRIBUTION	6420	6400	7850	7810		8645

Wheat production has exceeded all expectations due to ample rainfall during the last part of the growing season. This helped in increasing the grain size because the soil moisture content was very good during the grain filling stage. The crop is estimated at a record of 4.5 million tons produced from 1.5 million hectares in 2001. The General Establishment for Cereal Processing and Trade (HOBBOB) bought 3.5 million tons from the farmers, 84 percent over the purchases from the previous crop. For the 2002/2003 crop, rains through January 2002 were good in general, especially in the western part of the country. It is still too early to forecast the 2002/2003 crop because the final crop size will be determined not by the planted areas but by the rainfall that will enable the grains to fill up in March and

April. A preliminary estimate of 4.0 - 4.5 million tons to be produced from 1.5 million hectares may be reasonable.

## Consumption

Wheat is mainly used for milling into flour for bread production. Smaller quantities are used for bulgur production. Poor quality wheat is used for animal feeding. About 250,000 tons of wheat are used for planting the next crop. Bread consumption is increasing at about three percent with the increase in population. Available milling capacity greatly exceeds the milling requirement for the country.

## Trade

Import Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	CY		
Imports for	2000		2001
U.S.	0	U.S.	0
Others		Others	
France	15000	France	15000
Turkey	6000	Turkey	10000
Total for Others	21000		25000
Others not listed	9000		5000
Grand Total	30000		30000

Syria used to export about half a million tons of wheat per year during 1996 - 1998, mainly to North African countries. In late 2001, HOBOOB has contracted to export some quantities of hard (Durum) wheat to North African countries at international prices, about 28 percent below the price it is paying the farmers. HOBOOB may not be able to export all the desired quantities of about 800,000 tons from the 2001 crop, but exports of 500,000 MT are likely.

The imports and exports of wheat and wheat flour were a government monopoly until the Summer of 1999 when Syria permitted the private sector to import soft wheat to operate the private sector surplus milling capacity provided that the produced wheat flour is exported. The private sector pasta factories were permitted to import wheat flour to operate

their factories provided that the produced pasta is exported. Syria imported about 17,289 tons of wheat (mainly from France) as well as 8,990 tons of flour (mainly from Turkey) in late 2000. This quantity was imported by the private sector.

### **Stocks**

HOBBOB used to keep stocks of about 4 -5 million tons of wheat as a national reserve. Due to the drought and the limited purchases from the local 2000/2001 crop, wheat stocks have dropped for some time as compared to the 1999 level, but are estimated to increase again with record crops in 2001 and hopefully 2002. However, HOBBOB continues to maintain wheat stocks level exceeding one year's milling requirement for the whole country. This level is expected to continue to be maintained in the future. These stocks are kept in concrete silos, metal silos, as well as stored in open storage facilities.

### **Policy**

Syria will continue to rely on local wheat production and export any surplus after keeping a national reserve for over one year.

### **Marketing**

Syria is self-sufficient in wheat production. Wheat and wheat flour imports will be limited to small quantities for pasta production for the export market.

## Barley

### Production

PSD Table						
Country:	Syria					
Commodity:	Barley					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		'07/2000		'07/2001		'07/2002
Area Harvested	250	250	1400	1400		1400
Beginning Stocks	200	610	200	100		350
Production	130	130	1700	1300		1300
TOTAL Mkt. Yr. Imports	400	760	0	200		100
Oct-Sep Imports	400	760	0	200		100
Oct-Sep Import U.S.	0	0	0	0		0
TOTAL SUPPLY	730	1500	1900	1600	0	1750
TOTAL Mkt. Yr. Exports	0	0	200	0		0
Oct-Sep Exports	0	0	200	0		0
Feed Dom. Consumption	530	1200	900	1000		1000
TOTAL Dom. Consumption	530	1400	1200	1250		1250
Ending Stocks	200	100	500	350		500
TOTAL DISTRIBUTION	730	1500	1900	1600	0	1750

Barley production was most affected by the good rain in 2001 because it is 99 percent rainfed. The barley crop is estimated at 1.3 million tons produced from 1.4 million hectares. Syria usually produces black barley. However, in 2001, the farmers have planted some white barley from the quantities imported from Europe. These varieties are usually late in maturity. HOBOOB bought a large quantity of barley from the local crop, about 782,000 tons, in 2001.

### Consumption

Barley is mainly used to feed ruminant animals, including sheep and cattle. The demand fluctuates from one year to another depending on the availability of grass for sheep grazing. Demand increases during drought periods due to the lack of grass for grazing in such years.

## Trade

<b>Import Trade Matrix</b>			
<b>Country:</b>		<b>Units:</b>	<b>1000 MT</b>
<b>Commodity:</b>			
<b>Time period:</b>	<b>CY</b>		
<b>Imports for</b>	<b>2000</b>		<b>2001</b>
<b>U.S.</b>	<b>0</b>	<b>U.S.</b>	<b>0</b>
<b>Others</b>		<b>Others</b>	
<b>Ukraine</b>	<b>113145</b>	<b>Ukraine</b>	<b>30000</b>
<b>Turkey</b>	<b>71887</b>	<b>Turkey</b>	<b>20000</b>
<b>France</b>	<b>169854</b>	<b>France</b>	<b>20000</b>
<b>England</b>	<b>15485</b>	<b>England</b>	<b>15000</b>
<b>Austria</b>	<b>45346</b>	<b>Austria</b>	<b>15000</b>
<b>Germany</b>	<b>122902</b>	<b>Germany</b>	<b>10000</b>
<b>Argentina</b>	<b>130907</b>	<b>Argentina</b>	<b>15000</b>
<b>Russia</b>	<b>23604</b>	<b>Russia</b>	<b>20000</b>
<b>Bulgaria</b>	<b>20417</b>	<b>Bulgaria</b>	<b>20,000</b>
<b>Rumania</b>	<b>5025</b>	<b>Rumania</b>	<b>5000</b>
<b>Total for Others</b>	<b>718572</b>		<b>170000</b>
<b>Others not listed</b>	<b>40000</b>		<b>30000</b>
<b>Grand Total</b>	<b>758572</b>		<b>200000</b>

Syria used to be a net exporter of about 300,000 - 500,000 tons of barley per year. The private sector imported large quantities of barley in 2000 and early 2001 mainly from Europe when the stocks were low. Barley imports continue to be permitted in spite of the good crop in 2001, but according to trade sources, actual imports are much less than the year before.

## Stocks

HOBBOB usually keeps strategic stocks sufficient for about one season's requirement and exports quantities that are in surplus to Jordan, the main market for Syrian barley. With a good crop in 2001, and significant purchases from the local crop, stocks held by HOBBOB are reported to exceed 800,000 tons in January 2002. These stocks will be partially consumed before the next crop is in.

## Marketing

Syrian importers rely on European sources for barley, mainly France, Ukraine, Austria, England and Turkey. This is mainly due to the cheap price as well as low freight cost for small quantities (about 5,000 tons per shipment) from such origins. Price considerations have prevented Syrian importers from importing barley from the United States.

## Corn

### Production

PSD Table						
Country:	Syria					
Commodity:	Corn					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		'10/2000		'10/2001		'10/2002
Area Harvested	50	51	50	50		50
Beginning Stocks	50	235	50	235		210
Production	150	150	150	150		125
TOTAL Mkt. Yr. Imports	800	800	600	800		800
Oct-Sep Imports	800	800	600	800		800
Oct-Sep Import U.S.	400	750	550	750		750
TOTAL SUPPLY	1000	1185	800	1185	0	1135
TOTAL Mkt. Yr. Exports	0	0	0	0		0
Oct-Sep Exports	0	0	0	0		0
<del>Feed Dom. Consumption</del>	<del>900</del>	<del>925</del>	<del>700</del>	<del>950</del>		<del>975</del>
TOTAL Dom. Consumption	950	950	750	975		1000



Ending Stocks	50	235	50	210		135
TOTAL DISTRIBUTION	1000	1185	800	1185	0	1135

The Ministry of Agriculture and Agrarian Reform estimates corn production at 150,000 tons produced from 50,000 hectares in 2001/2002. Most of the planted corn is hybrid short-season corn planted after wheat in irrigated areas. Locally produced corn has a very high moisture content, sometimes close to 30 percent and has to be dehydrated to bring the moisture content down to 14 percent before the corn can be stored. The

procurement price for 14 percent moisture corn is set at 7,000 Syrian pounds, about USD 152 per ton, way above the current international corn prices. The General Organization for Fodder (GOF) purchased about 126,727 tons from the local 2001/2002 crop due to the very good prices they offer. The balance is kept by the farmers or sold directly to poultry producers.

### Consumption

A small portion of the local crop is consumed as corn on the cob. Corn is also used for the production of starch or sown as seed. Most corn, however, is used for animal feed. With the prevailing international corn prices, trade sources estimate that Syria requires record quantities of corn, exceeding 900,000 tons during the current marketing season, mainly for the poultry sector. The demand for corn as poultry feed continues to grow with the growth in the poultry sector in Syria.

### Trade

<b>Import Trade Matrix</b>			
<b>Country:</b>		<b>Units:</b>	<b>M. Tons</b>
<b>Commodity:</b>			
<b>Time period:</b>	<b>CY</b>		
<b>Imports for</b>	<b>2000</b>		<b>2001</b>
<b>U.S.</b>	<b>748,332</b>	<b>U.S.</b>	<b>750,000</b>
<b>Others</b>		<b>Others</b>	
<b>Rumania</b>	<b>18,604</b>	<b>Rumania</b>	<b>25,000</b>
<b>Bulgaria</b>	<b>13,434</b>	<b>Bulgaria</b>	<b>20,000</b>
<b>Austria</b>	<b>13,278</b>		
<b>Total for Others</b>	<b>45316</b>		<b>45000</b>
<b>Others not listed</b>	<b>6352</b>		<b>5,000</b>

<b>Grand Total</b>	<b>800000</b>	<b>800000</b>
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Private businessmen estimate imports at a record quantity, of 800,000 tons during the 2001/2002 marketing year, mainly from the United States and East Europe. Although U.S. export data indicate only about 650,000 MT of exports, Syrian official statistics indicated that 748,000 MT were imported from the U.S. during the year 2000. Small quantities from Bulgaria and Rumania are also imported. According to traders, some quantities of corn from the United States were transhipped. Eastern European corn is imported in relatively small shipments of about 5,000 tons per shipment and has problems with high moisture content, high breakage, and sometimes

insect problems. Corn imports are forecast to remain high and continue to grow as long as local production cannot increase due to limited water resources.

## Marketing

The United States is the most important supplier of corn to Syria and is forecast to remain so as long as its prices are competitive with the other suppliers, Argentina, and East Europe. Eastern European corn does not constitute much of a threat to U.S. corn exports due to quality problems. However, if Argentinian corn prices become more competitive with U.S. corn prices due to the economic problems Argentina is facing, then Argentinian corn could start to replace U.S. corn in the Syrian market.

## Rice

### Production

PSD Table						
Country:	Syria					
Commodity:	Rice, Milled					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		'01/2000		'01/2001		'01/2002
Area Harvested	0	0	0	0	0	0
Beginning Stocks	78	35	98	51		76
Milled Production	0	0	0	0		0
Rough Production	0	0	0	0		0

Milling Rate(.9999)	0	0	0	0		0
TOTAL Imports	170	166	150	180		170
Jan-Dec Imports	170	166	150	180		170
Jan-Dec Import U.S.	2	8	28	28		10
TOTAL SUPPLY	248	201	248	231	0	246
TOTAL Exports	0	0	0	0		0
Jan-Dec Exports	0	0	0	0		0
TOTAL Dom. Consumption	150	150	150	155		160
Ending Stocks	98	51	98	76		86

Rice is not produced in Syria. All the country's requirements are met through imports.

### Consumption

In Syria, rice consumption is estimated to be increasing in general, but is affected by the low purchasing power of the average Syrian. Every Syrian was entitled to 0.75 kilogram of rice per month at 7 SP (15.2 cents) per kilogram under the ration card system. This practice was terminated in November 2000, but resumed again in 2001. Rice can be substituted by much cheaper bulgur (wheat).

### Trade

Import Trade Matrix			
Country:		Units:	M.T.
Commodity:			
Time period:	C. Year		
Imports for	2000		2001
U.S.	7,793	U.S.	28253
Others		Others	
Egypt	92,027	Egypt	70,000
Thailand	26,723	Thailand	65000
Australia	22,347	Australia	5000
Spain	7,117	China	11000
China	1,022		

Italy	8,234		
Total for Others	157,470		151,000
Others not listed	737		747
Grand Total	166,000		180,000

The 2000 imports are reported in Syrian Foreign Trade Statistics at 166,000 tons. Syrian traders estimate imports of 180,000 MT in 2001. During the first three months of 2001, Syria imported about 117,402 tons mainly from Egypt, Thailand, and to a much less extent Australia, and Spain. Around the middle of 2001, Syria imported about 25,000 tons from the United States.

Since Syria does not plan to produce rice, in the future all rice requirements have to be imported. The import duty on rice has been kept at 7 percent ad valorem.

### **Marketing**

The private sector imported record quantities of rice from the United States when the prices were competitive in 1997 and in 2001. With rice prices more competitive from other origins, mainly Egypt whose rice is similar in characteristics to the American medium grain rice, the Syrian importer is diverting to Egyptian suppliers. Another reason for the attractiveness of Egyptian rice is the low freight cost and the ability to ship very small quantities, about 40 - 100 tons per shipment, in a very short time. Syrian consumers generally prefer medium grain rice from the United States, Italy, and Egypt to long grain rice from Thailand. The private sector rice imports are estimated to increase at about the same rate as the 3 percent increase in population. When international rice prices are relatively low, importers tend to buy more, as was the case in 2001. However, the limited purchasing power of the average Syrian may limit rice consumption and may direct his choice to cheaper sources of rice. That is why higher quality rice such as parboiled rice has a limited market in Syria.