



International
Labour
Organization

Market Study and Marketing Strategy of Olive Sector in Irbid

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Executive Summary

The olive industry is considered the most important agri-business activity in the governorate of Irbid, and it contributes 32% of Jordan's total olive production. The sector has undergone remarkable developments over the last two decades, which has resulted in expanding production in recent years. Today, Jordan is the world's 2nd and 8th largest exporter of table olives and olive oil respectively, and imports negligible quantities of both commodities compared to exports.

Market analysis in this report provides a range of statistics and indicators that show the high potentials for further sector growth. There are several opportunities that can be exploited as demand continues to increase.

However, despite enjoying several marketing strengths, mainly the geographic proximity to key regional markets, commercial potential of produced varieties, availability of modern olive oil mills, the sector suffers from a number of internal weaknesses and is quite vulnerable to a number of external challenges.

Key internal weaknesses revolve around the fragmentation of the olive production base, insufficient farmer know-how and in-adequate awareness of market trends and demand characteristics, improper packaging, unidentified geographic indication of Irbid olives, poor marketing performance, lack of effective branding, as well as a lack of coordination between farmers and mills which is increasingly causing delays in accessing oil mills, often leading to quality deterioration. Key external challenges are related to changing climatic conditions that have been causing unpredictable rainfall in recent years, competition in export markets, and domestic consumer product quality trust issues.

Key recommendations include: establishing a farmer cooperative in Irbid to achieve economies of scale through collective procurement, and enhance coordination between member farms and the olive mills. The proposed cooperative can also introduce a number of value-added services to member farms, such as rendering outsourced post-harvest handling services, and hosting micro and small businesses that produce olive by-products. In addition, the report proposes introducing mobile mills, through the introduction of a business idea to start a company that renders mobile milling to Irbid olive orchards. Such business can be operated by women and small-scaled producers. The report proposes other recommendations in the areas of: capacity building to workers in the areas of cultivation planning, soil tillage, rugged land use, rainwater harvesting techniques, fertilizers and pesticides application, and post-harvest handling. Finally, recommendations extend to cover branding, marketing communications, and packaging.

Introduction

Background

ILO value chain assessment reports of the Irbid olive sector highlighted pitfalls within various phases of the value chain of the sector. Some of the main weaknesses are related to marketing practices, including: branding, product quality, packaging, distribution and other marketing and operational shortcomings. The value chain assessment report concluded that it was necessary to conduct a market study that examines market demand and supply dynamics, marketing challenges and opportunities, as well as identifying economic opportunities to various players within the marketing channels as well as the local community within the sector, with particular focus on women and small-scale producers.

Objectives

The primary objective of this study was to identify windows of business opportunity within the Irbid olive sector that are likely to have a good marketing potential for women, entrepreneurs, as well as micro-to-small-scaled producers. The study also aimed at identifying and describing the corresponding market segment(s), as well as devising a suitable marketing strategy that would ultimately lead to more effective community engagement.

In order to achieve the above objective, the specific objectives of this study, as stated in the ToRs are:

- I. Map out the current situation in terms of available raw materials, local skills, processing and communication infrastructure, marketing channels and appropriate technologies within the Project target area.
- II. Assess the local, regional and national demand for those products that could be efficiently produced at a micro- to small-scale of operation by the women assisted by the project and organized in the form of sole producers or micro- to small-scale enterprises as defined by the Project either producing and marketing on an individual firm basis or networking with other firms in particular for joint purchasing or marketing.
- III. Among the olive sub sector in Irbid, identify those with higher potential and with an emphasis on value-added activities (e.g. Food production, processing, and vending; Horticulture; Organic farming).
- IV. Identify potential marketing outlets, including relevant trade flows, procedures and regulations, mainly in the host communities but also in the rest of the country or for export in other countries or overseas (e.g. Europe), if relevant to the selected lines of production.

Methodology

This report is based on desk research as well as field research and analysis of primary qualitative data gathered through interviews with a number of farmers and growers of olive in Irbid.

Secondary data presented in this report primarily comes from reports and databases published by Department of Statistics, Ministry of Agriculture, Central Bank of Jordan, ILO Irbid Olive Production Value Chain Assessment Report, Jordan Exporters and Producers Association for Fruit and Vegetables (JEPA), as well as any other sector reports and statistics that may be available at official secondary data sources.

The following table shows the main methodological activities and outputs of the desk research and analysis based on secondary data sources:

Scope of Desk Research and Analysis based on Secondary Data Sources	
Methodology	Focus Areas
<ul style="list-style-type: none"> Review of ILO value chain assessment carried out previously 	<ul style="list-style-type: none"> Highlighting sector challenges and weaknesses within the value chain of sectors as well as local community and refugee situation challenges that may have already been identified. In addition, the Consulting Team performed this task to ensure that this study and marketing strategy is in alignment and synchronization with the overall directions and objectives of ILO endeavours in the target areas.
<ul style="list-style-type: none"> Conducting an analytical desk review of available relevant literature and documents that may include data and information on the sector. These include statistical data and sector reports at the following sources: Department of Statistics, Ministry of Agriculture, Jordan Exporters and Producers Association for Fruit and Vegetables (JEPA), Central Wholesale Markets and other sources. 	<ul style="list-style-type: none"> Analysis of market recent supply and demand trends in terms of market size, production trends, trade patterns and import/export activities.
<ul style="list-style-type: none"> Review of all available statistical data and reports from official data sources on the economic and social factors that may have direct and indirect effects on the local communities in each protected area. 	<ul style="list-style-type: none"> Identifying trends and characteristics of the economic and social factors in the areas where the targeted local communities are located.

The following table shows the main methodological activities and outputs of the desk research and analysis based on primary data sources:

Scope of Desk Research and Analysis based on Primary Data Sources	
Methodology	Focus Areas
<p>Structured interviews with the following:</p> <ul style="list-style-type: none"> A randomly selected group of farmers, producers, wholesalers and traders of olive in Irbid, with focus on women and micro and small-sized enterprises. Directors of the Irbid and Amman Central Wholesale Markets of Fruits and Vegetables. Director of the Jordan Exporters and Producers Association for Fruit and Vegetables (JEPA) Subject Matter Experts in olive and tomato agri-business in Jordan. A randomly selected group of customers (small-scale traders and end-consumers) Site visits to the wholesale central market in Irbid as well as agri-business activities in Irbid to record personal observations. 	<ul style="list-style-type: none"> Highlighting sector challenges and weaknesses within the value chain of the sector. Verifying market supply and demand trends Identifying issues related to factor conditions Identifying and brainstorming product/ service added-value propositions. Verifying prices and price structures Identifying customer trends, preferences and behavioural patterns Identifying local community needs and expectations. Evaluating resources and capabilities

In assessing marketing practices of the sector, the Consulting Team used the Marketing Mix (4Ps) model. The same model has been used in setting and listing sector marketing strategy recommendations. Analysis and listing of key research findings has been done in accordance to the Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis model. In identifying business opportunities and value-added initiatives in the sector, the Consulting Team relied on both desk research (of similar cases) and field research (by interviewing farmers). In addition, the Consulting Team held internal brainstorming

sessions and relied on personal experiences of Subject-Matter Experts on what would be considered as viable recommendations.

Limitations and Data Issues

There are certain limitations and data issues that have been encountered by the Consulting Team while conducting the market research. Some of those limitations are the following:

- A general lack of official data on domestic consumption trends and consumer behaviour. The Consulting Team has therefore relied on qualitative data gathered through field research as well as rational calculations of available production, export and import data in order to arrive at indicative estimates of demand and consumption.
- Lack of official figures on sales volumes and prices of different varieties. There does not appear to be a clear distinction between different varieties.
- Lack of data pertinent to the specific economic activities of refugee and other labour in the target sector within the target areas.

Structure of this Report

This report is divided into four key sections. The first section provides a quick overview of Jordan's socio-economic profile as well as on the Irbid governorate level, followed by an overview of the Syrian refugee situation and its impact on the agricultural sector as a whole and the olive production in Irbid governorate in specific. The second section provides an analysis of the market as well as value chain from a marketing perspective for the olive sector in Irbid. Analysis extends to cover in more depth the market demand and supply trends and indicators. The third section provides a listing of key findings within the context of a SWOT appraisal. The fourth section of this report lists strategy recommendations to enhance marketing in the sector and provides a description of proposed business ideas and value-added initiatives with particular focus on women and small-scale producers.

Socio-Economic Overview

Socio-Economic Overview of Jordan

The economy of Jordan has traditionally been characterized by three persistent features: scarce natural resources, a small-sized economy, and a persisting high unemployment level. Jordan's unemployment rate, which currently stands at 12.6% (in 2013)¹, have also been a long-standing problem, with the unofficial unemployment rate is estimated to be closer to 25% due to underemployment. Jordan is a young country with a high birth rate, so the population is growing faster than economic opportunities are. Poverty and a large foreign debt remain major problems. Less than 5% of the country's land is arable, and farm output is further limited by the small size of most farms, inefficient methods of tilling the soil, and inadequate irrigation. The principal crops are citrus and other fruits and berries, tomatoes, cucumbers, grains, lentils, and olives. Many Jordanians support themselves by raising sheep, goats, and poultry.

Despite numerous national efforts to stabilize the economy, Jordan continues to face economic and social challenges. In 2013, Jordan recorded a Gross Government Debt to GDP of an alarming 87.75 per cent of the country's Gross Domestic Product. Over the past 2-3 years, the government has attempted to

¹ Source: Department of Statistics, 2013

tackle economic challenges by increasing several tax rates, reducing fuel and electricity subsidies and made efforts to broaden the tax base and increase collection efficiency.

The economy of Jordan started to show signs of recovery in 2010 from the aftermath of the global financial crisis in 2008. However, this slight recovery did not last for long as Jordan's economic challenges have reportedly worsened amid the Syrian crisis which erupted in 2011. The influx of Syrian refugees to Jordan has added a huge burden on the country's economy which suffers from relatively high rates of poverty and unemployment, not to mention huge challenges facing the infrastructure. The table below shows selected socio-economic indicators of Jordan:

Table 1: Selected Socio-Economic Indicators of Jordan

Indicator	2009	2010	2011	2012	2013	2014 (F)
GDP at current prices (JOD million)	16,912.2	18,762.0	20,476.6	21,965.5		
GDP at constant prices (JOD million)	9,759.9	9,985.5	10,243.8	10,243.8		
GDP Growth Rate at current prices (%)	8.5	10.9	9.1	7.3		
GDP Growth Rate at constant prices (%)	5.5	2.3	2.6	2.7		
Gross public debt (JD billion)	9.7	11.4	13.1	16.5	19.2	21.4
as a percentage of GDP (%)	57	61	65	78	87.75	85
Unemployment Rate (%)	12.9	12.5	12.9	12.2	12.6	NA
Total Population (000)				6,338*		
Population Growth Rate (%)				2.2		
Average Household Size (person)				5.4		
Crude Economic Activity Rate (%)				24.6		
Male				39.3		
Female				9.2		
Refine Economic Activity Rate (%)				38.0		
Male				61.3		
Female				14.1		
Inflation Rate (%)				4.8		

Source: Central Bank of Jordan and Department of Statistics

*Excluding Syrian Refugees

In addition to the young population and relatively high birth rate compared to the number of job opportunities created, the problem of unemployment in Jordan has characteristically been due to mismatch between labour market demand and supply. With only 38% of economically active population, Jordan has one of the lowest participation rates in the world. Female unemployment levels are also strikingly higher than male unemployment levels, and are considered to be one of the highest in the region.

The private sector in Jordan is dominated by medium, small and micro enterprises that comprise 98% of Jordanian enterprises and 77% of the workforce. The private sector is generally characterized by being service-oriented and based mainly on low-skilled labour. Insufficient or inadequate technical education, lack of in-the-job training by employers, and the mismatch between education and market needs are some of the causes of unemployment. Informal sector constitutes a hefty share of the overall economy activity in Jordan, with no official accurate figures but several researches and studies citing the percentage of the informal sector to account for around 40%-45% of the Jordanian economy.

There are regional social and economic disparities in Jordan, and this is evident by the differences in unemployment levels which vary from (10.3%) in the Centre, the North (15.6%) and South (18.0%)²,

² Source: Department of Statistics

and this is mainly due to a mismatch between people's places of residence and work locations, *as well as the notion that little focus has been given to rural labour intensive enterprises which represent the livelihood and employment generators for many of the poor in rural areas.*

Poverty levels in Jordan remain relatively high, and the relative poverty rate has actually regressed from 13.3% in 2008 to 14.4% in 2010³, which shows that the poverty situation has worsened. There are 27 poverty pockets in Jordan, 2 are in the governorate in Irbid.

Irbid Socio-Economic Overview

The city of Irbid is located about 85 km north of Amman and is considered the third largest city in Jordan by population (after Amman and Zarqa). The province of Irbid Governorate has the second largest population and the highest population density in Jordan. It is situated in the north west of the Hashemite Kingdom of Jordan, surrounded by fertile agricultural lands from north, east, west and south, with many fountains and springs water, as well as rain-fed valleys, and climatic conditions that are favorable for agricultural activity, and the city has always been known for its fresh olives and olive oil.

Total area of Irbid Governorate is estimated at about 1571.8 km² which accounts for 1.8% of Jordan's total geographic area. Due to its unique geographic location Irbid at the vicinity of the borders with Israel, Syria and the Palestinian territories, Irbid is considered one of the most important trading centers in Jordan, and is considered a major ground transportation hub between Amman, Syria to the north, and Mafraq to the east.

The total population of the governorate of Irbid has reached about 1.137 million people which accounts for 17.8% of Jordan's overall population. Male population represent 51.2% of the governorates total population, whereas females account for the remaining 48.8%. About 17.1% of the governorate's population reside in the country-side and outskirts of Irbid city.

Table 2: Main Demographic Indicators of Irbid Governorate

Districts	Population	Dependency Rate	Area (km ²)	Population Density	Less than 15 years old	15-64 years old	65+ years old
Al-Qasabah	460,090	66.3	235.8	1951.4	36.5	60.1	3.3
Ramtha	133,690	71.6	274.5	487.1	39.2	58.3	2.5
Koura	111,530	79.8	178.5	624.9	41.2	55.6	3.2
Bani Kinanah	93,580	68.0	252.9	370.1	36.6	59.5	3.9
Northern Ghor	104,370	76.1	246.4	423.7	39.8	56.8	3.5
Bani Obaid	114,610	65.9	188.4	608.3	36.1	60.3	3.6
Northern Mazar (Al Mazar Al Shamali)	54,100	72.3	86.2	627.7	38.3	58.1	3.7
Taybeh	35,680	77.0	63.5	562.2	39.9	56.5	3.6
Wasatieh	29,450	72.5	45.8	643.3	38.3	58.0	3.7
Governorate of Irbid (Total)	1,137,100	69.9	1571.8	723.4	37.8	58.9	3.4
Jordan Total (Kingdom level)	6,388,000	68.2	88793.5	71.9	37.3	59.4	3.3

Source: Department of Statistics

³ Source: Department of Statistics – Latest official data on Poverty Rate.

Latest official statistics on poverty indicators published by the Department of Statistics, based on the Household Income and Expenditure Survey 2010, show that the poverty ratio in Irbid has reached 15% which is slightly higher than the Kingdom's average of 14.4%⁴. The number of the 'poor' in Irbid Governorate is 163,933 people, accounting for 18.7% of the total number of the 'poor' in Jordan.

The number of Irbid workers who are currently employed is estimated at 221,269 in 2012 which accounts for 17.4% of Irbid's population, whereas the number of the unemployed is estimated at 29,809. About 34.4% of the Irbid labour force work in the fields of public administration, social security and related services, 14.7% in education, 4.7% in healthcare and social services, 13.2% in wholesale and retail trade as well as vehicle maintenance, 7.2% in transportation and warehousing, 1.7% in the tourism sector, and about 2.7% work in agriculture. Foreign labour in Irbid has reached 30,043 workers, accounting for 10.7% of the total number of foreign labour in Jordan⁵.

The following table shows key economic and labour market statistics in Irbid (2012):

Table 3: Key Economic and Labour Market Statistics in Irbid (2012)

Indicators	Irbid Governorate	Kingdom-Level
No. of employed labour force	221,269	1,268,093
% of employed labour force	17.4%	
No. of the unemployed	29,809	175,470
% of the unemployed	17%	
No. of foreign workers	30,043	279,798
% of foreign workers	10.7%	
Participation in Economic Activity Rate	37.4	38.0
Unemployment Rate	11.9	12.2
Inflation Rate	5.12	4.77
Average Annual Household Income (JOD)	7877.2	8823.9
Average Annual Household Expenditure (JOD)	8638.6	9626.0
Average Annual per Capita Income (JOD)	1421.8	1660.2
Average Annual per Capita Expenditure (JOD)	1535.2	1793.0
Poverty Ratio (2012)	15%	14.4%
% of Middle-Class Households (Families) (2008)	28.3	41.0

Source: Department of Statistics ⁶(2012)

Overview of Socio-Economic Implications of the Syrian Refugee Crisis on Irbid Governorate, with Focus on the Agricultural Sector

The governorates of Irbid is one of the key areas in Jordan which host the largest population of Syrian refugees, and particularly in the cities of Ramtha, Mafraq and Irbid, where total population reported an increase by 25%, 30% and 20% respectively⁷. The influx of Syrian refugees to these areas over the last three years has resulted in increased demand for already limited resources (mainly water and electricity) as well as services such as education, healthcare, and sanitation. Jordan's resources in these areas have been strained to their limits. About 55% of Syrian refugees in Jordan registered by UNCHR are under the age of 18, which means that no less than 120,000 refugees are in school age, which has resulted on an overwhelming demand for education and school overcrowding. More than half of those are located in the governorates of Irbid and Mafraq. According to UNCHR, there has been a similar overcrowding

⁴ Source: Department of Statistics, based on the Household Income and Expenditure Survey 2010

⁵ Source: Department of Statistics

⁶ Source: Department of Statistics

⁷ Source: UNCHR

is witnessed at primary healthcare facilities in Ramtha, Irbid and Mafraq where shortages of medicine has also been witnessed. This problem is aggravated by the already low bed capacity in both Irbid and Mafraq governorates, where the number of beds per 10,000 people is as low as 11 and 8 in both governorates, respectively⁸.

Water resources in Irbid governorate had been scarce even prior to the Syrian crisis, where water distribution to households was only for once or twice a week for a period of up to six hours only. UNCHR, based on meetings with officials and representatives in both governorates, indicates that Syrian refugee communities reportedly have little understanding and application of water conservation practices, and this has also contributed to the water scarcity problem.

In terms of employment and labor market, it has been noted that Syrians have been crowding and pushing out Jordanians workers in specific sectors, such as: hospitality, retail, trade, and construction. With regards to agriculture, the situation is quite similar. However, the problem is less severe than in other sectors mainly because Jordanians do not heavily engage with production practices of the sector. Some reports point out to the issue of “the culture of shame” that states that Jordanians refrain from working in low-end occupations including those related to farming and agricultural jobs. However, field research shows that the underlying reason why Jordanians do not pursue such jobs in the agriculture sector is rather down to economic reasons, related to low wage pay offered by producers and poor working conditions, rather than socio-cultural issues. The ILO report on value chain assessment of Mafraq tomato production points out the opportunity of creating higher value adding activities to entice Jordanians to take on such jobs, and that a rapid assessment should be conducted to examine the cultural dimensions related to Jordanians’ unwillingness to work in farms. In the agricultural sector, Egyptian workers, who have previously dominated the scene, have been more susceptible than Jordanians to Syrian workers influx and entry to the sector.

The agricultural sector in Jordan has characteristically been limited due to lack of human resources, with Jordanians refraining from working in the sector and the government placing restrictions on the number of foreign labour in the sector. With the influx of Syrian refugees, the situation has changed. Jordanian farm owners have been tempted to increase their tomato production as the unavailability of labour has become less of a problem since the Syrian farmers arrived. Interviewees mentioned that Egyptian workers remain more skilled and efficient in the early stages of agricultural production, which include soil preparation, fertilization and seeding. However, Syrian workers are preferred in harvesting and post-harvest handling stages, which include picking and handling the harvested crop and performing crop sorting and grading processes.

Prior to the Syrian crisis, Egyptian workers have lobbied and managed to increase their wages by almost three-folds. The competition imposed on Egyptian workers ever since the Syrians arrived has contributed to stabilizing wage levels. However due to: (1) family connections, (2) higher post-harvesting skills of Syrian workers, (3) cultural similarities between Syrian workers and Jordanian farmers - many Jordanian farmers/farm owners have displaced Egyptian with Syrian employment, especially that Syrian farmers are considered to be more skilled particularly in the areas of harvest and post-harvest handling activities.

⁸ Source: Ministry of Health

Market Analysis

Supply Analysis

Irbid is considered to be one of the most active regions of Jordan in terms of agricultural activities. The Governorate produces citrus, olives and grain, in addition to the production of honey and livestock. More on the distribution of production is provided in the following section.

The following table shows that Irbid Governorate accounts for 11% of total cultivated area in Jordan, with the governorate accounting for 8% of Jordan's total field crops cultivated area, 19% of Jordan's total fruit trees cultivated area, and 4% of Jordan's total vegetable cultivated area. This shows the relative importance of the governorate in terms of agricultural activity.

Table 4: Cultivated Area in Irbid Governorate

Indicator	Irbid Governorate	Kingdom-Level	Irbid Governorate's Percentage of Total Cultivated Area in Jordan
Field crops cultivated area (ha)	8,538	112,904	8%
Fruit trees cultivated area (ha)	16,477	85,005	19%
Vegetables cultivated area (ha)	1,598	42,863	4%
Total cultivated area (ha)	26,613	240,771	11%
Number of Agricultural Cooperatives*	32	284	11

Source: Department of Statistics, 2011

*Source: Jordan Cooperative Corporation

Areas, Yield and Production

According to latest Department of Statistics' data of the year 2012, Jordan's olive orchards are estimated to comprise approximately 23.4 million trees. Approximately 80% of the trees bear crops and 20% are non-productive. Olive trees have reached approximately 11.7 million trees, accounting for 50% of the total number of trees in Jordan. Approximately 73% of olive trees bear crops and 27% are non-productive⁹.

Statistics show that about 24% of the area is under permanent irrigation. According to data from the Ministry of Agriculture, orchard density averages 180 trees/ha. Crop yields range from 60 kg/tree in irrigated orchards to 15 kg/tree in rainfed mountain orchards although oil yields are practically the same in both types of orchard (20%)¹⁰.

The olive industry is one of the most important sub-sectors of Jordan's agri-business, and the olive tree is considered to be the most important fruit tree in Jordan as it covers about 73% of the total area planted with fruit trees and approximately 36% of the total cultivated area in Jordan¹¹. Olive production is the highest fruit production in Jordan at 34% of total fruit production in 2012 and is followed by citrus (24%), bananas (8.5%), apples (8%), and grapes (7.8%)¹².

⁹ Source: Department of Statistics

¹⁰ Source: Ministry of Agriculture

¹¹ Source: Ministry of Agriculture

¹² Source: Department of Statistics – Agricultural Survey 2012

Table 5: Key Statistics of Jordan's Olive Production (2008-2012)

Crop: Olive	Level: Jordan				
Statistic Items	2008	2009	2010	2011	2012
Cultivated Area (ha)	60,531.8	60,659.8	60,878.8	62,087.9	62,687.1
Total No. of Trees	11,136,565	11,154,168	11,225,985	11,518,114	11,686,719
No. of Bearing Trees	5,977,547	8,886,471	8,674,114	8,607,646	8,541,418
Average Yield (KG/bearing tree)	15.7	15.8	19.8	15.3	18.2
Production (Mt)	94,068	140,719	171,672	131,847	155,640
Production Growth Rate (%)	-25%	50%	22%	-23%	18%

Source: Department of Statistics, Agricultural Survey

The table above shows that the total olive tree cultivated area in Jordan has increased from 60,531.8 ha in 2008 to 62,687.1 in 2012, reflecting a growth of approximately 4%. Bearing trees have been increasing at a higher growth rate than the total number of trees' over the same period, which has resulted in the average yield increasing from 15.7 KG/bearing tree in 2008 to a healthier yield rate of 18.2 KG/bearing tree in 2012.

Production volumes have fluctuated with an overall increase trend in production over the (2008-2012). Jordan's olive production increased from 94,068 Mt in 2008 to 155,640 Mt in 2012, reflecting a growth of 65%. Occasional fluctuations of olive production in Jordan are mainly due to adverse climatic conditions¹³ and to the natural oscillation of production of olive trees among the years, not mitigated by appropriate agronomic practices and irrigation.

Nevertheless, the olive sector in Jordan has undergone remarkable developments over the last two to three decades which resulted in expanding the olive tree cultivated area by more than 200% since early 1990s, and about 130% since early 2000s. This rise in olive production is attributed mainly to the irrigated horticulture which enabled growing olive trees in the eastern part of the country using underground water. This rise in olive production is attributed mainly to the irrigated horticulture which enabled growing olive trees in the eastern part of the country using underground water.

In addition, considerable investments have been made in fruit trees in the highlands over the last 2-3 decades. The progress included production of nursery olive trees using relatively modern techniques and adoption of intensive olive growing, training and pruning systems. A landmark of olive orchards management was observed in all aspects of production starting with orchard site choice, fertilizers and fertilization, supplemental irrigation and methods of irrigation, olive cultivar choice, semi-mechanical harvesting, organic olive production, integrated pest management, and finally olive processing and olive oil extraction.

However, this is not necessarily the case of the vast majority of olive farms, particularly in Irbid and the northern regions of Jordan, where the olive industry is fragmented into a large number of small-scaled farmers and producers.

Structure of Production

Geographically speaking, 48% of Jordan's olive trees grow in the North, 44% in the Centre and 8% in the South. In general, olives are cultivated in two main regions within the upland in Jordan; first is the western mountains ranges that cross the country from north to south, and the second area is the north eastern desert region. The former is rain-fed, while the latter is irrigated. The western mountains that

¹³ Decline in rainfall and higher temperatures in recent years which has negative impacts on Jordan's olive produce

cross the country from north to south (rain-fed) which represent about 77% of the total area planted with olive and the north eastern region (irrigated), where the average annual rainfall is more than 300mm. Each producing region pursues a very different olive cultivation pattern. In Irbid and the rain-fed mountainous area, farms tend to be small.

Irbid and the northern region of Jordan are considered to be a major region of rain-fed olive tree cultivation¹⁴, and olive growing has always been a major feature of the heritage and socio-cultural life in Irbid. Large numbers of olive farms in Irbid belong to mainly small-size holders which are considered as a source of income for many families in Irbid, and provide many seasonal job opportunities for agricultural workers. Therefore, the structure of the olive sector in Irbid is fragmented into small holdings.

In Irbid, the olive industry is considered as the most important agri-business activity. Overlooking the Golan Heights of Syria, Kfarat, some 20 kilometres north of the city of Irbid, is rich with old olive trees, with some dating back to the Roman era. The governorate is home to over one million olive trees. In Irbid alone, the areas planted with olive trees reached 25,022 hectares, which accounts for about 21% of total areas planted with olive trees in Jordan¹⁵. Irbid's production of fresh olives is therefore estimated to account for 32% of Jordan's total olive production. The main cultivated areas of Irbid where olives are produced include: Kfarat, Taybeh, Wasateyeh, Ramtha, and Bani Kinanah. The average rainfall is 450mm which is very suitable for olive trees. The peak in activity occurs in winter, which makes it compatible with other agricultural and non-agricultural activities. With traditional growing methods, labour represents over half of production costs.

However, Irbid's is considered to be vastly under-producing as the cultivated areas are only 14,830 hectares out of 105,000 hectares suitable for cultivation in Irbid, which means that only 14% of suitable land for cultivation in Irbid is actually utilized.

Olive growing in Jordan, and particularly in Irbid, produces two *main* products, namely **table olives** and **olive oil**. There are round thirty different types of Olive trees present in Jordan and all of which are capable of producing excellent quality Extra Virgin Olive Oil. In Irbid, cultivated olives trees produce olives that can be used to produce table olives as well as olive oil. The predominant olive varieties are big and black, belonging to the Nabali olive variety. Main olive varieties are:

- **Nabali Baladi:** This variety adapts well to all the olive producing regions of Jordan, growing in the Western mountain range and in the irrigated Eastern plains. It is dual-purpose and has a high oil content ranging from 28 to 33% and an oleic acid content of around 67–71%. The tree has a vigorous and spreading growth habit. The fruit is small to medium-sized, ovoid in shape and asymmetric, and weighs 2–4 g on average. Its flesh is firm, adheres strongly to the stone and represents about 82% of the fruit's weight. The stone is medium sized, narrow and elongated with clear veins. It is considered to be drought tolerant and to show medium salt tolerance. It is resistant to most common olive pests and diseases. Oils of this variety have organoleptic qualities of nice light to medium fruitiness. This is the predominant olive variety produced in Irbid.
- **Rasie':** This variety is very widespread and is found across almost the whole of the country. It originates from the south of Jordan and is grown in mountainous areas with an annual rainfall

¹⁴ Source: Ministry of Agriculture

¹⁵ Source: Ministry of Agriculture

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 with supplemental irrigation. It is hardy and it has a low rooting ability. It has an intermediate start of bearing. Its time of flowering is also intermediate. It is self-compatible and it has a low pistil abortion rate. Its productivity is high and alternate. The fruit is used for green or black pickling as well for producing good quality oil. It is clingstone. The oil content present ranges from 15 to 28% according to end use, growing area and whether or not irrigation is applied. It adapts readily to different climates and soils. It is very resistant to drought and cold climates, besides being tolerant of salinity. It is resistant to the most common olive diseases although it is sensitive to olive anthracnose. This variety has a taste of medium fruitiness with hints of green apple.

- **Souri:** Oils of these olives have an intense fruity aroma and differentiated organoleptic characteristics. However, its production is considered to be rather limited compared to the Nabali and Rasie' varieties.

Olive Oil Production (Processing Sector)

Jordan's olive oil processing industry has undergone extensive modernisation in recent years. This is clear from the data given in the table below, supplied by the Ministry of Agriculture, which show a gradual increase in the number of three and two-phase facilities, a decrease in press mills and the total disappearance of traditional oil mills.

In 2012, Jordan's olive farms produced 21,548 tonnes of olive oil during the harvest season between October 15 and January 23, according to the official data released by the Department of Statistics . The DoS report estimated the volume of olive production at 115,282 tonnes in 2012, 9 per cent higher than the 106,006 tonnes produced in 2011. Irbid Governorate was the highest olive oil producer in 2012 in Jordan at 7,188 tonnes, followed by Ajloun with 4,413 tonnes. According to the National Centre for Agricultural Research and Extension NCARE, there are over 17 million olive trees in the country, nearly half of which are in the northern region of Jordan. The olive oil industry represents an important source of income for around 80,000 Jordanian families, according to the NCARE. The olive sector's annual contribution to the economy is estimated at JD100 million, with average exports of over JD20 million, according to the official data.

Table 6: Jordan's Olive and Olive Oil Production (2008-2012)

Crop: Olive	Level: Jordan				
	2008	2009	2010	2011	2012
Statistic Items					
Total Production (Mt)	138,689	221,588	171,036	174,514	155,640
Quantities processed as table olives & pickled olives	16,624	32,739	28,794	30,203	31,128
% of Quantities transferred to pressing (%)	12%	15%	17%	17%	20%
Quantities transferred to mills for oil extraction (Mt)	122,065	188,849	142,242	144,311	115,282
% of Quantities transferred to mills (%)	88%	85%	83%	83%	74%
Extracted olive oil (Mt)	18,472	36,652	27,311	19,352	21,548
Oil extraction rate (%)	15%	19%	19%	13%	19%
Olive pomace and residues (Mt)	30,516	47,212	35,561	41,289	39,562

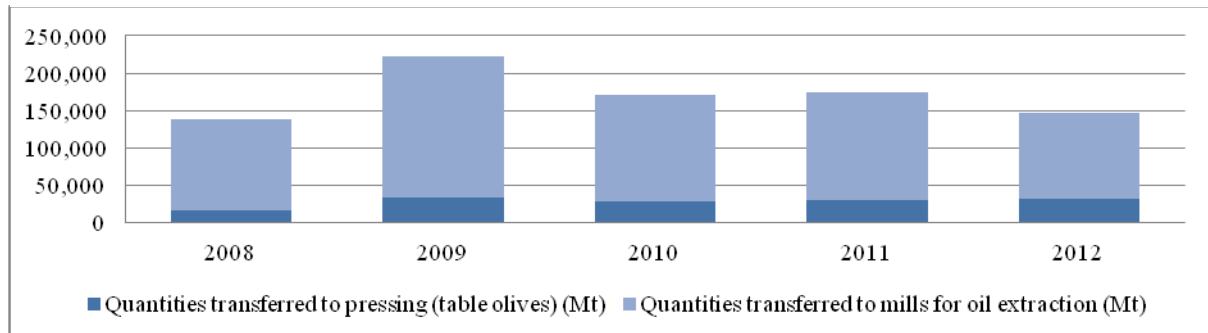
Source: Ministry of Agriculture, Annual Statistical Book (2012)

The table above shows that only about 20% of olive crops are transferred to pressing and producing table olives and related products (such as pickles and olive paste), whereas the vast majority of olive crops are transferred to mills for olive oil extraction. The table shows that there has been a gradual decrease in the quantity of olives transferred to olive oil production (extraction). This is mainly due to mill access difficulties emanating from lack of coordination between olive growers and mills in light of

increasing olive production. However, this decrease has not resulted in decreasing the quantities of produced olive oil which has been fluctuating over the same period, and produced quantities of olive oil registered a slight growth in 2012 over produced quantities in 2008 and 2011 where the percentage of olives transferred to mills for oil extraction were 88% and 83% respectively.

The following figure illustrates the distribution of olive production in Jordan based on the end product. The figure shows that the percentage of table olive production has been increasing over the (2008-2012) period, whereas the percentage of olives transferred to mills for olive oil extraction have decreased slightly between the 2008 and 2012.

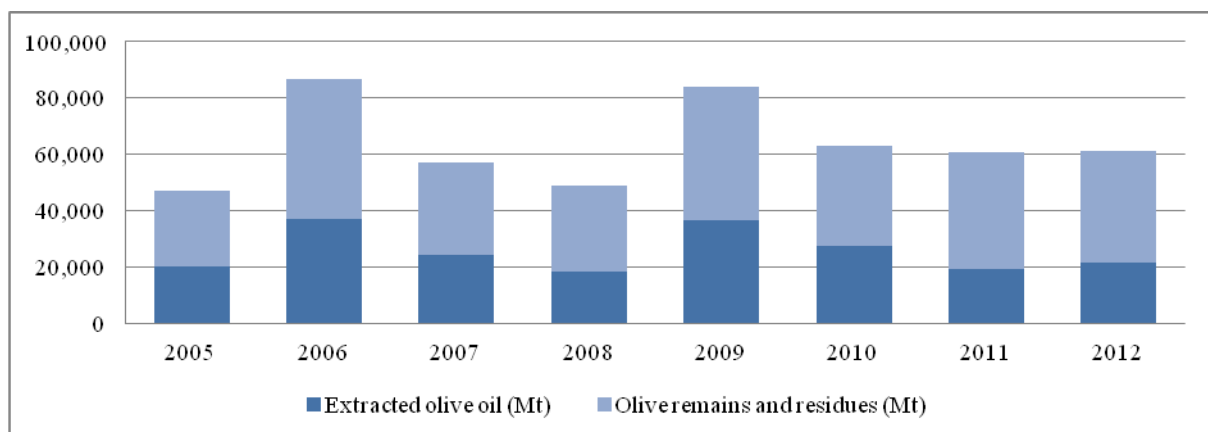
Figure 1: Distribution of Olive Quantities transferred to Pressing and Oil Extraction (2008-2012)



Source: Ministry of Agriculture, Annual Statistical Book (2012)

The following figure illustrates the progression of olive oil extraction in Jordan over the (2005-2012) period.

Figure 2: Progression of Olive Oil Extraction in Jordan (2005-2012)



The figure above shows that Jordan's production of olive oil has been fluctuating in recent years. In 2012, Jordan's produced almost the same quantities of olive oil as it did back in 2005. There have been some odd seasons where production of olive oil almost doubled in 2006 and 2009. The reasons behind such fluctuation are manifold, including labor and climatic challenges. However, some of the main reasons are attributed to management issues, such as: lack of efficiency of olive mills, where producers have to queue for long periods of time, often resulting in compromising the acidity levels of olives and the quality of extracted olive oil as a result.

There are over 100 mills in Jordan containing some 179 production lines of olive oil, with a production capacity of about 280 tons per hour. Traditional oil mills no longer exist in Jordan, and this has been a result of modernization of mills in recent years. Today, Jordanian mills and presses operate modern and

sophisticated machinery, using two and three phases. The table below shows that traditional mills have disappeared. However, the introduction of modern olive mills, and their increase from 104 in 2006 to 118 in 2011 does not seem to have helped in increasing the olive oil extraction rate, which remains constant at about 19%. It is estimated that extraction rate could be boosted if more efficient and coordinated access to mills is granted to farmers. The main problem is not attributed to limited mills' processing capacity, rather, it lies in the fact that 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.

It is worth mentioning; however, that Irbid olive farmers – particularly small-scale ones, are benefiting from mills the latter offers farmers the ability to pay pressing services out of extracted olive oil profit, rather than paying cash money upon extraction of oil. In addition, many small-scale farmers are exhibiting their olive oil products at the mills to reach end-customers, who have grown accustomed of buying fresh olive oil directly from the mills.

Table 7: Olive Oil Mills in Jordan

Units	2005/2006 crop year	2010/2011 crop year
Traditional oil mills	0	0
Oil mills with presses or super-presses	11	8
Modern three-phase oil mills	74	86
Modern two-phase oil mills	19	24
Total oil mills	104	118
Average oil extraction rate (%)	19%	19%

Source: Ministry of Agriculture (and consultant's calculation of olive oil extraction rate)

The table below shows the approximate olive oil production in Jordan by grade. As shown in the table below, the majority of production is in the Ordinary (40%) and Virgin (35%) grades, whereas the 'Extra' grade only accounts for (15%) of Jordan's olive oil production. There are vast opportunities in shifting Jordan's olive oil production more towards the 'Extra' virgin olive oil grade, which is becoming increasingly in-demand in regional and international markets as shown in the 'Demand' section of this report.

Table 8: Olive Oil production in Jordan by Grade

Grades	Share in Production (during 2000s)
Extra, up to 1°	15%
Virgin, 1°– 2°	35%
Ordinary, 2°– 3.3°	40%
Lampante, > 3.3°	10%

Source: Ministry of Agriculture

Inputs and Raw Materials

Key research findings related to the first level of the value chain: input and sourcing are the following:

- **Scarcity of water resources and unpredictability of rainfall levels:** scarcity of water resources remains the biggest challenge, especially in light of the changing climatic conditions which has caused increased unpredictability of rainfall levels in recent years. The problem is aggravated by lack of adequate rainwater harvesting and storage techniques and facilities.
- **High input costs:** field research findings show that all olive farmers and producers in Irbid complain about the high input cost and how this is shrinking their profit margins. High costs can be particularly seen in the cost of labour, organic fertilizers and pesticides: field research

findings show that Irbid farmers feel that their olive production is being increasingly adversely affected by the increasing costs of inputs, mainly:

- Labor wages
- Organic and chemical (treated) fertilizers
- Pesticides

However, despite the notion that growers usually complain from high input costs, this does not actually appear to be a key constraint.

Local Skills

Despite the influx of Syrian workers into Irbid, who are considered to be more skilled than Egyptian workers particularly in the areas of harvesting and post-harvest handling, field research findings show that the need to further upgrade farmer skills remains in the following areas:

- Soil preparation and seeding techniques that would improve the quality of olive production and make certain varieties more suitable for olive pressing (for oil extraction). Farmers are resisting calls for change and upgrading their practices because they view such change as a venue of additional, un-called for, production costs that they will be unable to make up for by raising the end product selling price.
 - Improving soil productivity: improving soil tillage is a major challenge faced by Irbid farmers because they lack technical knowledge in areas related to combatting pests, distributing nutrients throughout the soil and allowing soil to retain moisture.
 - Olive tree types (olive tree varieties) and their suitability to Irbid soil. Lack of olive tree types and seeding techniques has resulted to random selection of olive trees and haphazard seeding. In addition, Irbid farmers feel that they lack the proper knowledge of soil specific characteristics for olive tree planting.
 - Improving harvesting techniques: Most harvesting is still conventional and is done by hand, which significantly contributes to around half of all labour costs for olive farmers in Irbid. Many olive farmers in Irbid complain about workers harvesting olives by beating olives out of the trees with sticks which often damage the fruit and reduce the quality of the oil. Other workers who pick the olives need to learn efficient and proper picking techniques.
 - Improving post-harvest handling techniques: field research observations and findings accord with findings stated in the ILO value chain analysis report in the olive and olive oil sector in this respect. There are number of shortcomings related to packing and transporting picked olives, which are put in plastic bags which often cause, along with heating factors due to lack of pre-cooling, natural decomposition of the congested olives which often causes oxidation and a lower quality of olives, and as a result, olive oil.
- **Shortage of labour (skilled and semi-skilled workers)**: besides the problem of relatively high-labour costs, which is manifested in increasing wages, there is a shortage of labour, particularly at the skilled and semi-skilled levels. Field research shows that Irbid farmers feel that the influx of Syrian refugees to Jordan over the last three years has not eased the labour availability problem. Rather, some farmers feel that Syrian workers have contributed to the issue of workers' demands for higher wages. Other farmers and producers in Irbid complained

about Syrian workers' negligence and carelessness about proper cultivation and growing practices. In addition, some farmers pointed out the impact of Syrian labour has shown only in the area of harvesting and collecting the olive fruits, and that there has been no real positive impact in terms of production planning, seeding or tree growing phases of production.

Other Production and Supply Issues

Field research based on interviews with a number of olive farmers in Irbid shows that there are productivity and efficiency challenges that are impacting the profitability of those farmers' olive business. Some of the aspects of those challenges as reported by interviewed farmers and producers are:

- **Land use (acreage) can be improved and expanded further:** production statistics show that the olive cultivation sector has expanded and this is attributed to significant development in recent years. However, local production in Irbid can be expanded further by utilizing rugged land. Desk review of the ILO value chain assessment report of Irbid olive production points to the opportunity of strengthening local capacity for rugged land use and reclamation of land currently not used¹⁶.
- **Conventional pruning and field care techniques:** review of the ILO value chain assessment report of Irbid olive production as well as field interviews and subject-matter experts' observations, all point to the fact that currently practiced techniques of ploughing, pruning and inoculation of olive trees are still conventional and need to be upgraded in order to improve the yield rate.
- **Harvesting and pressing costs:** this issue is shrinking producers' profit margins in light of competition among farmers and relatively low consumer price. The high costs of harvesting is mainly attributed to high wages of skilled farmers and the lack of automated harvesting technologies, whereas the high cost of pressing is attributed to the bargaining power of pressers in light of the fragmentation of farmers and lack of effective farmer representation.

Desk research shows that Irbid olive production has been increasing in recent years. However, the expansion of production not accompanied by investments for increasing productivity and organisation of the value chain will perpetuate the problem of low yields (in some seasons) and exacerbate the oscillation of production between years. From a marketing perspective, there are several challenges which include the following:

- **Fragmentation of the sector is not enabling efficiency of small farms:** preference of farmers is for self-standing activity, with consequent scarcity of joint farmers' initiatives, such as producer groups or cooperatives. Without increased cooperation between farmers logistic of harvesting and marketing will become increasingly difficult, and this will keep those small farms from achieving a higher degree of efficiency.
- **Poor infrastructure and lack of irrigation and rainwater storage facilities, affecting the yields and making the production vulnerable to weather conditions:** There is a growing need to upgrade irrigation techniques as well as rainwater harvesting and storage methods and facilities in light of recent adverse climate conditions and scarcity of water resources. increased temperature and decreased rainfall as seen in Jordan in recent years is negatively impacting olive cultivation in Irbid, especially that the majority of trees are rain-fed, which makes farmers vulnerable to these adverse conditions.

¹⁶ Source: ILO, Value Chain Analysis in the Olive and Oil Sector in Irbid, 2013

Demand Analysis

Domestic Consumption and International Trade

There is no statistical data available at official data sources on the actual size of domestic consumption of table olives and olive oil in Jordan. However, based on the Consultant's calculations of production, imports and exports, a rough estimate of domestic consumption has been arrived at in order to provide an indication of domestic demand. The following table shows the domestic consumption of table olives (fresh and pickled) in Jordan compared to imports and exports:

Table 9: Imports, Exports and Estimated Domestic Consumption of Fresh Olives in Jordan (2007-2012)

Commodity: Table Olives (Fresh and pickled olives)	2007	2008	2009	2010	2011	2012
Production (1000 Mt)	32.2	16.7	32.7	28.9	30.2	31.1
Domestic Consumption* (1000 Mt)	19.6	8.7	17.4	22.0	23.8	21.4
Consumption % of Production (%)	61%	52%	53%	76%	79%	69%
Imports (1000 Mt)	0.64	0.51	0.52	0.75	1.24	1.67
Exports (1000 Mt)	13.3	8.44	15.8	7.53	7.66	11.4
Exports % of Production (%)	41%	51%	48%	26%	25%	37%

Source: Ministry of Agriculture based on results of Department of Statistics' Olive Mills and Pressers Survey 2012

*Domestic consumption is based on consultant's calculations.

The table above indicates that current production levels exceed domestic consumption levels of table olives, which implies that Jordan is self-sufficient of table olives and that current production levels exceed domestic demand. However, it is worth-mentioning that domestic consumption levels have increased quite remarkably since 2009, and this has affected exported quantities which used to account for almost half of production until 2009. Assuming the same rationale, the following table shows the domestic consumption of olive oil in Jordan compared to imports and exports:

Table 10: Imports, Exports and Estimated Domestic Consumption of Olive Oil in Jordan (2007-2012)

Commodity: Olive Oil	2007	2008	2009	2010	2011	2012
Production (1000 Mt)	24.1	18.5	36.7	27.3	19.4	21.5
Domestic Consumption* (1000 Mt)	21.9	18.6	40.5	25.9	18.3	20.5
Consumption % of Production (%)	91%	101%	111%	95%	95%	95%
Imports (1000 Mt)	0	1.68	5.36	0.015	0	0.22
Exports (1000 Mt)	2.20	1.53	1.50	1.38	1.06	1.30
Exports % of Production (%)	9%	8%	4%	5%	5%	6%

Source: Ministry of Agriculture based on results of Department of Statistics' Olive Mills and Pressers Survey 2012

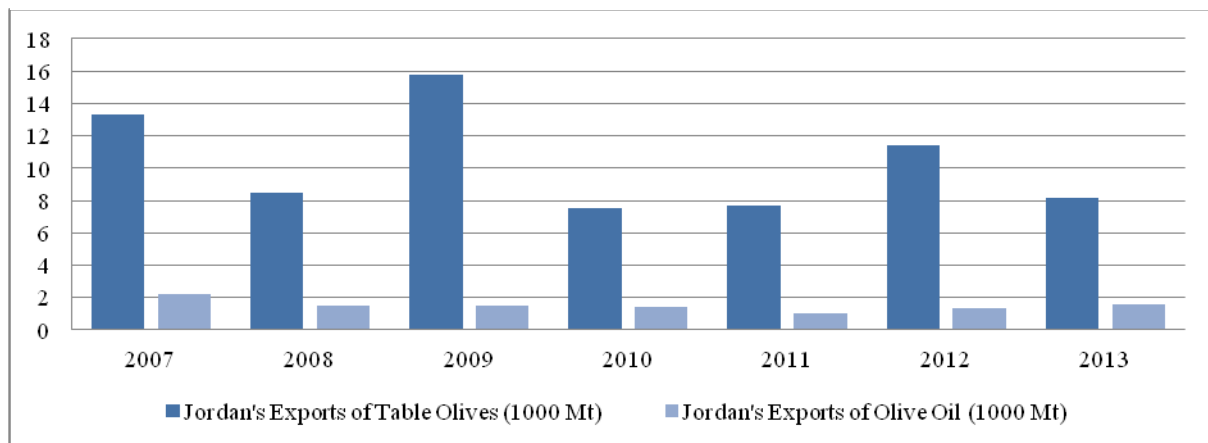
*Domestic consumption is based on consultant's calculations.

The table above shows that domestic consumption of olive oil averaged at approximately 24,283 ton/year, and is almost equal to production levels.

With regards to export activity, Jordan is ranked as the World's 2nd largest exporter of fresh olives after Portugal. ITC calculations based on UN COMTRADE statistics show that Jordan exports almost all of its exported quantities of fresh olives to Israel, which is considered as a transit point for Jordanian olive exports to end market destinations (there are no official data available at the time of this research with regards to end export destinations). According to ITC, Jordan exported 8,142 tons of fresh olives mainly to Israel (8,124 tons). Nevertheless, Jordan's exports of table olives and olive oil are limited when taking into account the percentage of exports to total production (Jordan exports about 5% of its production of table olives and about 6% of its olive oil production). Jordan's imports of table olives and olive oil are negligible as evident by import and export data provided in the figure below.

The reasons why Jordanian exports are limited are particularly attributed to mass production capacity issues with regards to the production of olive oil. This is not due to lack of production capacity of mills and producers of olive oil. Rather, it is a problem of limited cultivated quantities that are merely sufficient to meet demands of the local market. In addition, as end-consumers in potential regional and international export markets are becoming more familiar with the health benefits of olive oil, demand by those consumers is becoming more focused on the ‘Extra Virgin’ olive oil grade. Jordanian olive oil is usually sold as virgin olive oil for the local market and extra virgin olive oil for the international markets, but clearly there is an production capacity issue that is not enabling Jordanian extra virgin olive oil from achieving its potential in export markets, particularly regional ones. The figure below illustrates Jordan’s exports of fresh olives during the period (2005-2013):

Figure 3: Jordan's Exported Quantities (Mt thousands) of Fresh Olives and Olive Oil (2007-2013)



Source: Department of Statistics and ITC calculations based on UN COMTRADE statistics

Climatic changes and growing challenges faced by farmers have resulted in fluctuations in production levels, and this has also reflected on export performance.

Jordan exports its olive oil mainly to Saudi Arabia, United Arab Emirates, Israel and Kuwait¹⁷. ITC calculations based on UN COMTRADE statistics show that 98.9% of Jordan’s exported quantities of fresh olives were exported to Israel in 2012 and 2013. Other export destinations in 2012 and 2013 included: Saudi Arabia (0.5%), Kuwait (0.5%), and UK (0.1%). This shows that export activity to neighbouring Arab countries has been poor. This is due to the fact that the local market consumes 95% of local production.

However, export opportunities to neighbouring GCC countries are high, especially when considering that Saudi Arabia is the world’s sixth largest importer of fresh olives (in terms of imported quantities)¹⁸, and the world’s eighteenth largest importer of olive oil (in terms of imported quantities). Saudi Arabia mainly imports fresh olives from: Tunisia, Spain and Italy, and olive oil from: Turkey, Syria, Spain, Italy, and Tunisia.

With regards to olive oil, Jordan is the world’s eighth largest exporter of olive oil, exporting its product to several countries including Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the US.

¹⁷ Source: International Trade Centre

¹⁸ The researcher could not find data on Saudi Arabia’s imported quantities or values.

Consumer Trends and Preferences

Domestically, table olive and olive oil are essential ingredients of the local cuisine. Therefore, the product is not considered price elastic, and consumers will continue to buy it with increasing inflation and declining purchasing power having minimal effect on consumers' buying decision.

Local consumers are mostly accustomed to "traditional" table olive and olive oil, which is a single product, without specification of quality. In fact the average consumer has not a real knowledge of the product.

Another major issue is the scarce trust of consumers in domestic industrial producers. This has resulted in many domestic consumers purchase olive oil directly from known or trusted mills and producers.

Competitive Position of Irbid Olives

In the Domestic Market

Jordanian consumers prefer domestic production, and trade data show that Jordan imports of fresh olives and olive oil are negligible compared to local production. For local customers, they always prefer Jordanian olive oil when considered genuine. However, the low trust in industrial producers pushes many of them either to buy olive oil directly from trusted farmers and mills, or to buy imported olive oil, perceived as safer, if not tastier.

The general perception by Jordanian consumers that Irbid and Ajloun olives and olive oils are the best olive items produced in Jordan. Therefore, Irbid olives are well regarded by local consumers.

In Export Markets

Jordan's export of olives is minimal compared to quantities sold domestically. This is due to production capacity barely meeting domestic market demand. However, the world's trade in fresh olives is considered to be very minimal compared to trade in olive oil. Nevertheless, Jordan is considered the world's second largest exporter of fresh olives after Portugal in terms of exported quantities. As mentioned earlier, Jordan exports most of production of fresh olives to Israel, which is considered as a transit to end export markets. However, there is no available data to indicate on end export markets.

Table 11: Top Exporters of Fresh Olives (2013)

Top Exporters of Fresh Olives	World Rank (2013)	Exported Quantities in Mt'000 (2013)	Top Export Markets (2013)				
			First	Second	Third	Fourth	Fifth
Portugal	1	14.63	Spain	Angola	France	Canada	Brazil
Jordan	2	8.14	Israel	Kuwait	UK	Saudi Arabia	N/A
Greece	3	5.23	Saudi Arabia	Italy	Germany	France	Romania & Bulgaria
Syria	4	3.76	N/A	N/A	N/A	N/A	N/A
Spain	5	3.0	France	Germany	Italy	Portugal	Malta

Source: International Trade Centre calculations based on UNCOMTRADE data

The table above lists the top five exporting countries of fresh olives in 2013 according to ITC estimates based on UNCOMTRADE data. It is worth noting that Greece, which ranks below Jordan with exported quantities accounting for only 64% of quantities exported by Jordan in 2013, has Saudi Arabia as its main export destination.

The table below shows the top five importing countries of fresh olives in 2013. The table shows that Saudi Arabia represents a big potential market for fresh olives (in relative terms) as it ranks sixth in terms of imported quantities. ITC data does not reveal the top import sources of Saudi Arabia but various sources show that Greece, Tunisia, Italy, Spain and Turkey are the main import sources of fresh olives of Saudi Arabia.

Table 12: Top Importers of Fresh Olives (2013)

Top Importers of Fresh Olives	World Rank (2013)	Imported Quantities in Mt'000 (2013)	Top Import Sources (2013)				
			First	Second	Third	Fourth	Fifth
Spain	1	9.85	Portugal	Morocco	Netherlands	Greece	Belgium & Italy
USA	2	9.18	Mexico	Greece	Italy	N/A	N/A
Italy	3	7.06	Greece	Spain	Cyprus	Germany	France
Portugal	4	4.13	Spain	Netherlands	N/A	N/A	N/A
Lebanon	5	3.75	Syria	N/A	N/A	N/A	N/A
Saudi Arabia	6	2.1	N/A	N/A	N/A	N/A	N/A
Algeria	7	1.37	Egypt	N/A	N/A	N/A	N/A

Source: International Trade Centre calculations based on UNCOMTRADE data

Jordan has an excellent opportunity to target the Saudi market as a potential export market, due to its advantage over competitor countries in terms of: geographic proximity (which leads to lower shipping costs) as well as the availability of a sizable Levantine ethnic population living in Saudi Arabia that would favour Jordanian fresh olives.

With regards to olive oil, the foreign trade scene is much more lucrative. Jordan ranks 19th in terms of exported quantities of olive oil. However, Jordan's exported quantities of (1,600 tons in 2013) are very modest compared to fourth-ranked Tunisia which exported 151,000 tons in the same year. The World's total exports of olive oil in 2013 accounted to 1.67 million tons in 2013, which means that Spain alone accounts for 42% of world's trade in olive oil.

Table 13: Top Exporters of Olive Oil (2013)

Top Exporters of Olive Oil	World Rank (2013)	Exported Quantities in Mt'000 (2013)	Top Export Markets (2013)				
			First	Second	Third	Fourth	Fifth
Spain	1	707.0	Italy	France	Portugal	USA	UK
Italy	2	343.8	USA	Germany	France	Japan	Canada
Greece	3	165.5	Italy	Germany	Spain	USA	Canada
Tunisia	4	151.0	Italy	Spain	USA	France	Morocco
Portugal	5	105.6	Spain	Brazil	France	Italy	Angola
Turkey	6	92.1	USA	Spain	Italy	Saudi Arabia	Japan & Iran
Syria	9	10.7	Saudi Arabia	Kuwait	Jordan	Iran	Egypt & Yemen
Lebanon	11	7.09	USA	Saudi Arabia	UAE	Spain	Kuwait & Qatar
Morocco	13	6.23	USA	Spain	China	Netherlands	Belgium

							& Canada
Egypt	17	2.3	Spain	USA	Algeria	Iraq	Italy
Jordan	19	1.6	Saudi Arabia	UAE	Israel	Kuwait	Free Zones & Qatar

Source: International Trade Centre calculations based on UNCOMTRADE data

The table below shows the world's top importers of olive oil.

Table 14: Top Importers of Olive Oil (2013)

Top Importers of Olive Oil	World Rank (2013)	Imported Quantities in Mt'000 (2013)	Top Import Sources (2013)				
			First	Second	Third	Fourth	Fifth
Italy	1	457.3	Spain	Greece	Tunisia	Turkey	Portugal
USA	2	281.4	Italy	Spain	Turkey	Tunisia	Argentina, Greece & Morocco
Spain	3	117.2	Tunisia	Portugal	Turkey	Greece	Italy
France	4	113.5	Spain	Italy	Tunisia	Portugal	Belgium
Portugal	5	112.3	Spain	Turkey	Tunisia	France	Italy
Japan	9	51.15	Italy	Spain	Turkey	Greece	Chile
Australia	10	36.8	Spain	Italy	Greece	Turkey	Lebanon
China	11	36.7	Spain	Italy	Greece	Tunisia	Turkey
Canada	12	36.3	Italy	Greece	Tunisia	Turkey	USA & Spain
Russia	13	30.0	Spain	Italy	Greece	Tunisia	Turkey
Saudi Arabia	18	12.14	Turkey	Syria	Spain	Italy	Tunisia & Palestine
India	19	11.0	Spain	Italy	Greece	Turkey	Portugal
Korea	20	10.1	Spain	Italy	Turkey	Greece	UK & Palestine

Jordan has Saudi Arabia as its main olive oil export market. However, Saudi Arabia which is considered the largest regional importer of olive oil, imports mainly from Turkey, Syria, Spain, Italy, Tunisia and Palestine. Similarly to fresh olives, this shows that Jordan has a very good opportunity of targeting the Saudi market since it has the logistical comparative advantage over its competitors. However, quantitative field research indicates that there may be a production capacity issue which may hamper Jordan's ability to consistently and efficiently meet the demand of current export markets, let alone entering and sustaining a competitive position in the relatively large Saudi market.

As mentioned earlier, the problem of capacity is mainly attributed to the following:

- Climatic changes making it difficult to estimate seasonal produce at a fair degree of accuracy.
- Lack of coordination between mills (pressers) and growers.
- The need for further utilization of land in order to increase the produce. This problem is aggravated by the fragmentation of the sector.

There are also the USA, Australian and Far-Eastern markets of Japan, China and Korea, which are dominated by the world's largest exporters: Spain and Italy. However, some countries which can be considered as competitors of Jordan, like Tunisia, Turkey and Lebanon, have secured competitive positions in those markets. However, both countries do not have the problem of mass production capacity.

In light of relatively limited production capacity, Jordan would benefit from focusing on increasing its export in one or two priority markets in the short-to-medium terms, particularly the Saudi market. On the other hand, Jordan is expected to benefit significantly from branding its products in a way that would provide a differentiation factor (i.e. claiming the category of: Holy land olive oil).

Assessment of Marketing Practices

Product

Product Varieties and By-Products

Irbid mainly produces the Nabali olive variety, which is suitable for oil extraction. However, there is a general lack of awareness by farmers about the product variety difference and characteristics of different olive trees. This has resulted in olive trees being planted haphazardly in Irbid without carefully examining tree suitability to the specific characteristics of the soils. In addition, this lack of awareness of specific olive varieties has not helped farmers establish any competitive edge or meet market demand, whether locally or internationally, for specific olive varieties.

In addition, there is a lack of any real investment initiatives or entrepreneurial activities to utilize olive stones (pits) or other olive by-products such as home-made olive oil soap and cosmetics as well as pickled olive products.

In terms of by products, there is a market opportunity in introducing a number of household productions of the following by-products: Olive Oil Soap and Olive Pickles

Quality

Irbid olives particularly the Nabali varieties which are suitable for olive oil extraction and are capable of producing extra virgin olive oil. However, there are issues that are impacting the Irbid olive quality and there is a considerable room for improvement. Olive growing in Irbid is generally carried out in a traditional way with minimal use of chemical fertilizers and pesticides; this is due to lack of farmers' access to organic or treated fertilizers as well as the high costs of fertilizing, as well as general lack of technical knowledge in the area of pest management. As a result, production costs as well as productivity are relatively low, and pests, especially the olive fly, are rather common. By comparison, in the irrigated eastern areas of Jordan, farms are larger, and production costs and productivity are higher since fertilizers are widely used and other agricultural practices like ploughing, weeding and trimming are more common.

In addition, the Irbid olive sector, like the overall olive sector of Jordan, has not established geographical indications or organic farming. Therefore, Irbid olives remain unidentified in terms of geographic indication and this also goes for olive oil, which restricts Irbid olives and olive oil from entering, let alone competing in, important 'sophisticated' export markets, such as the EU, where the consumer trends are increasingly heading towards organic farming. In the EU, for example, there is the EU certification system, which highlights the product attributes of imported olive oil and geographic indication. For this reason, Irbid olives and olive oil faces market access issues and therefore cannot compete with the Spanish, Italian or Greek olives in the EU market.

Another issue that often hampers quality is long waiting lines at olive mills (pressers). During the pressing season, olive farmers in Irbid, as well as many end consumers who grow their own olive trees, take their olives to pressers and this creates queues due to the limited number of pressers available, which causes long waiting time at the olive oil mills. Delays in pressing the olive causes increased acidity, especially in the first two days.

With regards to olive oil, every so often there are problems related to post-harvest handling techniques as well as the timing of transporting fresh olives to pressing mills as mentioned earlier in this report. This contributes to increasing the acidity of olive oil produced.

Branding

Irbid olive production lacks any effective or systematic branding that would help consumers, whether local or international, recognize the Irbid olives. This is mainly due to the fact the sector is fragmented into small-scaled farmers who lack effective marketing organization, representation and coordination. There have been no real national initiatives to launch an effective, unified branding for Irbid olives.

Packaging and Labelling

Packaging and labelling is almost the shortcoming that Irbid olives and olive oil has in terms of branding.

Price

Prices of fresh olives and olive oil in Irbid, although subject to supply and demand, are largely controlled by the bargaining prowess and influence of wholesale traders in light of the fragmentation of farmers and lack of effective farmer representation.

Since most of the Irbid olive production is within the Nabali variety, the prices of available olives and olive oil categories are fairly similar. However, there is no clear or unified pricing strategy that is adopted by farmers and producers, which are considered to be a weak link within the olive value chain due to their fragmentation and lack of proper representation. The way the farmers' olive prices are set is dependent on the bargaining power of wholesale traders.

In addition, preference of farmers for self-standing activity, with consequent scarcity of joint farmers' initiatives, such as producer groups or cooperatives. Without increased cooperation between farmers logistic of harvesting and marketing will become increasingly difficult.

Promotion

There are hardly any promotional efforts done by olive producers in Irbid. This is mainly due to lack of marketing and management know-how – the farming base is made by subsistence farming and are typically not perceived as businesses but as mere agriculture production units. The problem is aggravated by farmer/grower specialized marketing body.

Additional promotion related challenges are:

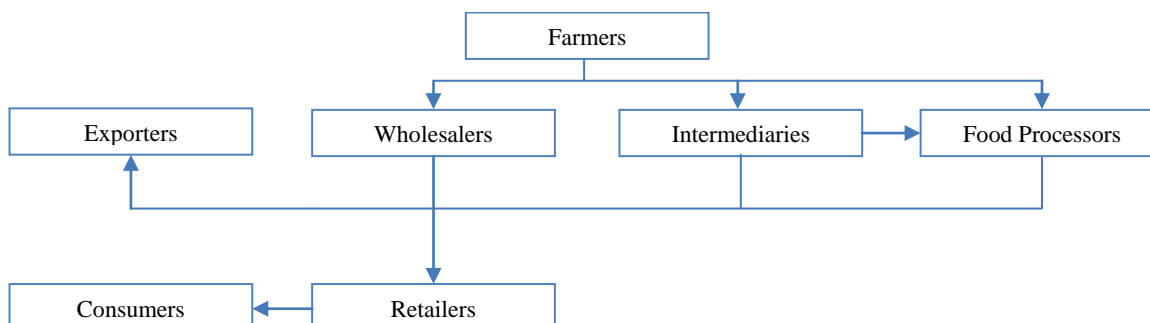
- There is a need for more effective participation in relevant local, regional and international exhibitions: Farmers have expressed strong interest in identifying the most important trade fairs and exhibitions, whether at the local, regional or global spheres, and they demonstrated their desire to participate more effectively in these exhibitions under the guidance and auspices of the association.
- Lack of national olive festival in Jordan and there have been no initiatives to organize a special event for Irbid olives and olive oil.
- No apparent or effective links established with the local and regional media for the purpose of promoting Irbid olives and olive oil.

Distribution Channels

Olives are usually distributed to wholesale markets. There are three main wholesale markets which are located in: Amman, Irbid and Zarqa. There is no reliable data on the distributed quantities and the share

of each distribution channel. However, in qualitative terms, the majority of olives are distributed in wholesale markets.

Figure 4: Distribution Channels of the Olive Market in Irbid



The figure above shows that distribution channels usually follow the following routes:

1. **Farmers to wholesalers** (wholesale markets) to retailers to consumers.
2. **Farmers to intermediaries**, who sell to either food processors (who sell to exporters and/or domestic market retailers) or retailers to consumers
3. **Farmers to food processors** to exporters and/or domestic market retailers.

In less common occasions, olive farmers sell directly to consumers directly.

The figure above shows that distribution channel does not allow access of farmers to sell directly to retailers, exporters or end consumers. The bargaining power of wholesale markets and contractors stems from fragmentation of relatively small farmers. In light of such fragmentation and as a result of wholesaler’s bargaining powers, farmers are unable to retain margins of sound profitability, whereas wholesalers and intermediaries are making much higher margins when they sell to exporters and retailers. The case of olive oil is not much different from fresh olives, except the bargaining power is in the mills/oil pressers’ hands as well as wholesalers. This means that farmers currently are not benefiting much from olive oil extraction business because the good margins are going to the mills as well as the wholesalers. The following matrix shows the key challenges that face Irbid olive growers and producers according to distribution channels:

Channels	Critical success factors/ Market Requirements	Improvement Needed	Constraints to achieving improvements
Wholesale markets & Wholesalers	<ul style="list-style-type: none"> Raising profit margins for producers/ growers through better pricing 	<ul style="list-style-type: none"> Leveraged bargaining power Branding & image 	<ul style="list-style-type: none"> Fragmented small-scaled farmers/growers causing low bargaining power of farmers/growers
Intermediaries & contractors	<ul style="list-style-type: none"> Leveraged bargaining power 	<ul style="list-style-type: none"> Ability to negotiate prices with intermediaries in different supply periods Branding & image 	<ul style="list-style-type: none"> Fragmented small-scaled farmers/growers causing low bargaining power of farmers/growers
Mills & processors	<ul style="list-style-type: none"> Improved access time to mills 	<ul style="list-style-type: none"> Leveraged bargaining power 	<ul style="list-style-type: none"> Fragmented small-scaled farmers/growers

Exporters (to regional export markets)	<ul style="list-style-type: none"> Product innovation 	<ul style="list-style-type: none"> Introduction of new products to the market Pre-packaged products 	<ul style="list-style-type: none"> Lack of exposure to product marketing ideas Lack of knowledge of export market consumer preferences High / unaffordable cost of modern packaging
	<ul style="list-style-type: none"> Uniformity of produce 	<ul style="list-style-type: none"> Enhanced production and post-harvest practices 	<ul style="list-style-type: none"> Lack if investment in automated production and harvesting Lack of pesticide and fertilizer technical know-how
	<ul style="list-style-type: none"> Expanded product variety 	<ul style="list-style-type: none"> Introducing more varieties suitable to soil as well as market preferences 	<ul style="list-style-type: none"> Lack of knowledge of export market consumer preferences Lack of knowledge of product varieties
	<ul style="list-style-type: none"> Consistent delivery 	<ul style="list-style-type: none"> Enhanced production and post-harvest practices 	<ul style="list-style-type: none"> Lack if investment in automated production and harvesting Lack of pesticide and fertilizer technical know-how

SWOT Analysis

SWOT Analysis

The SWOT matrix below summarizes the key findings of market analysis:

Strengths	Weaknesses
<ul style="list-style-type: none"> Geographic proximity to key export markets: Saudi Arabia and rest of GCC, gives Jordan a logistical edge over competitors The Nabali and Rasie' varieties produced in Irbid have good commercial potential and considered to be of good quality and taste Jordanian customers prefer domestic products when sure about quality. Recent modernization of mills has improved the olive oil extraction activities and enables production of mass quantities Recently enhanced availability of qualified Syrian labour with good harvest and post-harvest skills 	<ul style="list-style-type: none"> Fragmentation of olive production base (farms are too small to be efficient). This is leading to failure to carry out marketing cooperatively and recognize market standards among small grower operations leads to disparate quality of fresh tomatoes and lack of uniformity of varieties supplied to end markets. Relatively production capacity and means for constant delivery to export markets. Labour intensive growing practices raising the cost of production Insufficient know-how and inadequate awareness of producers about market quality criteria (as opposed to traditional quality criteria – that is particularly related to the olive oil market) Insufficient know-how and inadequate awareness of producers about product varieties and market potential Insufficient know-how and inadequate awareness of producers about various types of pesticides and fertilizers Improper packaging Unidentified GI of Irbid olives and olive oil as well as naturally grown organic

Strengths	Weaknesses
	olives <ul style="list-style-type: none"> • Weak marketing performance • Lack of a unified effective branding • Lack of coordination between growers and mills causing delays at oils mills • Low Local prices compared to the cost • Limited cash flow of producers/growers and lack of financial planning capabilities • Limited production planning and harvest scheduling hindering consistent supply
Opportunities	Threats
<ul style="list-style-type: none"> • Demand at the regional level is increasing due to growing population and increased health-awareness, and there is an excellent opportunity to expand exports to the Saudi and other GCC markets • The opportunity to target larger market segments in new export markets through more targeted branding (i.e. Olive from the Holly Land) • The opportunities that consolidation of small farmers/growers would bring, including: collective marketing & branding, collective raw material and other input procurement (better prices, better terms), minimization of production and marketing costs, as well as collective improvement of packaging, and quality. 	<ul style="list-style-type: none"> • Changing climatic conditions and decreasing rain-fall. • Threat of competition in growing neighbouring GCC markets • The possibility of aggravating the impact of the political and security situations in Syria and other neighbouring countries on the agricultural sector in Jordan. • Inflation and declining purchasing power of domestic consumers might result in decreasing local demand as consumers might shift towards cheaper imported olive oil. • The issue of consumer trust in local processors and producers of olive oil might result in domestic consumers shifting towards the less favourable, but 'safer' imported olive oil.

Key Findings and Conclusion

Research findings and SWOT analysis shows that the Jordanian olive sector in general, and the Irbid olive sector in particular, has a good potential to grow and expand further, particularly in light of recent developments which the sector has undergone and the modernization of olive oil mills. Due to its geographic location, Jordan has a logistical competitive edge over the Turkish, Tunisian, Lebanese and Syrian competition in the expanding export markets of the GCC, particularly Saudi Arabia. Opportunities for sector growth lie in the fact that consumers in the fact that end-consumers in potential export markets are becoming more health-conscious, hence they are increasingly shifting towards more healthy lifestyles and natural food products. Introducing GI and organic farming for Irbid olives will leverage its marketability in new export markets.

However, the sector has a number of weaknesses that are restricting it from realizing its growth potential. Key weaknesses are related to: fragmentation of the sector, labour availability, skills and work-ethic issues, marketing and branding, packaging, warehousing, lack of coordination with the olive oil mills as well as limited financial and management planning know-how. There are also challenges and threats which are increasingly impacting negatively on the sector. Such threats include: the political instability in the region and the high level of uncertainty associated with it, changing climatic conditions which are causing unpredictable rainfall, competition gaining momentum in regional export markets, as well as domestic market challenges related to consumer trust and declining purchasing power.

In order to enhance the sector's chances of achieving and sustaining growth, the following TWOS Matrix (which is a variant of the SWOT Analysis) provides **recommendations** on how the sector can: utilize its strengths to capitalize on opportunities (SO), utilize strengths to avoid current and potential threats (ST), overcome current weaknesses by exploiting opportunities (WO), and; lessen the impact of weaknesses and avoid current and potential threats (WT).

	Key Internal Strengths <ul style="list-style-type: none"> + Geographic location + Good varieties with good quality and taste + Domestic consumer preference + Modernized mills + Enhanced availability of skilled labour 	Key Internal Weaknesses <ul style="list-style-type: none"> - Fragmented sector - Unidentified GI - Relatively limited production - Labor-intensive growing - Lack of coordination with mills - Lack of marketing know-how - Weak branding and packaging - Inadequate technical skills related to growing and pesticides
Key External Opportunities <ul style="list-style-type: none"> + Expanding exports to Saudi & GCC markets + Claiming the ‘holly land’ category + The economic and marketing opportunities embedded in the idea of sector consolidation 	SO <ul style="list-style-type: none"> • Develop and implement an export marketing plan targeting the Saudi market • Introduce new by-products targeting wider segments of domestic consumers • Introduce the ‘holy-land’ olive branding • Establish a showroom of Irbid olive products to domestic customers 	WO <ul style="list-style-type: none"> • Constant delivery and installing proper warehouses will contribute to enhancing sales • Establish a farmer cooperative mainly to serve the following purposes: (1) achieve economies of scale through collective procurement, (2) enhance coordination with mills to enhance olive oil productivity • Introduce mobile mills to enhance olive oil productivity • Build farmers’ capacity in planting planning, soil tillage and rugged land use know-how
Key External Threats <ul style="list-style-type: none"> - Changing climatic conditions (unpredictable rainfall) - Competition - Domestic consumer trust issues 	ST <ul style="list-style-type: none"> • Introduce favourable shipping charges/terms to targeted regional importers • Enhance marketing communications with domestic customers 	WT <ul style="list-style-type: none"> • Enhance rainwater harvesting and storage techniques and facilities • Introduce GI for Irbid olive production • Enforce regulatory control and implementation of pesticides and fertilizer use

Marketing Strategy and Recommendations

Marketing Upgrading Needs and Recommendations

The following matrix provides a summary of key marketing upgrading needs and recommendations for Irbid olive farmers (growers), based on the Marketing Mix (4Ps) Model:

Product		
Improvement Needed	Constraints to Achieving improvements	Recommendations
<ul style="list-style-type: none"> Product innovation and diversity of product varieties and by-products of olives and olive oil 	<ul style="list-style-type: none"> Lack of exposure to product marketing ideas General lack of producer awareness of market potential of new products Farmers' attitude towards trying new varieties Enhancing entrepreneurial spirit by producers and the female segment 	<ul style="list-style-type: none"> Build farmers' capacity in product varieties and possibilities Provide capacity building to women on entrepreneurship and opportunities in the sector
<ul style="list-style-type: none"> Procurement sourcing of raw materials including fertilizers and pesticides in order 	<ul style="list-style-type: none"> General lack of knowledge of sourcing venues and different types of raw materials Lack of collective procurement of raw materials 	<ul style="list-style-type: none"> Establish a farmers' cooperative that would handle collective procurement Obtain farmers' buy-in Build capacity of proposed cooperative
<ul style="list-style-type: none"> Water resources and irrigation management 	<ul style="list-style-type: none"> Inadequate rainwater harvesting and storage techniques and facilities 	<ul style="list-style-type: none"> Provide capacity building to farmers on best practices of water harvesting techniques Conduct a technical study on facilities needed Hold awareness sessions
<ul style="list-style-type: none"> Land use (acreage) (production efficiency related) 	<ul style="list-style-type: none"> Lack of planting planning and rugged land use know-how 	<ul style="list-style-type: none"> Provide capacity building to farmers on planting planning and rugged land use know-how
<ul style="list-style-type: none"> Pruning and field care techniques (quality and production efficiency related) 	<ul style="list-style-type: none"> Conventional practices of ploughing, pruning and inoculation of olive trees 	<ul style="list-style-type: none"> Provide capacity building to farmers on best practices of ploughing, pruning and inoculation of olive trees
<ul style="list-style-type: none"> Harvesting and pressing costs (quality and production efficiency related) 	<ul style="list-style-type: none"> Conventional harvest methods Lack of harvest automation Bargaining power of pressing mills in light of the fragmentation of farmers 	<ul style="list-style-type: none"> Empower JOPEA and proposed farmer cooperative to take a more proactive role in farmer representation Introduce mobile mills Develop an operational plan to enhance coordination between farmers and mills through JOPEA

Product		
Improvement Needed	Constraints to Achieving improvements	Recommendations
<ul style="list-style-type: none"> • Soil tillage (production efficiency related) 	<ul style="list-style-type: none"> • Lack of technical knowledge in areas related to combatting pests and distributing nutrients 	<ul style="list-style-type: none"> • Provide capacity building to farmers on best practices of combatting pests and distributing nutrients
<ul style="list-style-type: none"> • Post-harvest handling (quality and production efficiency related) 	<ul style="list-style-type: none"> • Conventional post-harvest techniques • Lack of regulatory control and enforcement 	<ul style="list-style-type: none"> • Provide capacity building on best-practices of post-harvesting • Develop a business plan for the proposed cooperative to provide post-harvest handling activities to farms • Develop an advocacy paper and action plan to enforce regulations
<ul style="list-style-type: none"> • Branding 	<ul style="list-style-type: none"> • Lack of identity of Irbid olive and olive oil production • Lack of collective branding and strategic messaging of farmer's olive produce - mainly because of farmer fragmentation and lack of marketing representation 	<ul style="list-style-type: none"> • Develop a unified branding strategy and framework around the 'Holy land olive' concept • Collaborate with JOPEA and proposed collaborative to ensure buy-in and implementation
<ul style="list-style-type: none"> • Packaging 	<ul style="list-style-type: none"> • Lack of knowledge of proper packaging • Cost of proper packaging 	<ul style="list-style-type: none"> • Work with JOPEA on conducting a technical study and designs to introduce proper packaging • Work with proposed collaborative to develop a collective procurement plan
Price		
Improvement Needed	Constraints to Achieving improvements	Recommendations
<ul style="list-style-type: none"> • The way pricing is dictated in the local market 	<ul style="list-style-type: none"> • Bargaining power of wholesalers in light of farmer fragmentation 	<ul style="list-style-type: none"> • Establish a cooperative of olive farmers of Irbid. Define its representative roles and operations within the context of a business plan
Promotion		
Improvement Needed	Constraints to Achieving improvements	Recommendations
<ul style="list-style-type: none"> • Ineffective promotional campaigns 	<ul style="list-style-type: none"> • Farmer fragmentation and lack of marketing representation 	<ul style="list-style-type: none"> • Work with JOPEA on ways to leverage the impact of the Annual Olive Festival • Within the context of a branding plan for Irbid olives, develop a marketing communications plan that targets domestic consumers
Place (Distribution)		
Improvement Needed	• Constraints to Achieving improvements	
<ul style="list-style-type: none"> • Enhanced access to retailers and hypermarkets 	<ul style="list-style-type: none"> • Weak farmers' bargaining power in light of fragmentation 	
<ul style="list-style-type: none"> • Improving farmers' margins when selling to wholesalers and intermediaries 	<ul style="list-style-type: none"> • Weak farmers' bargaining power in light of fragmentation 	
	<ul style="list-style-type: none"> • Establish a cooperative of olive farmers of Irbid. Define its representative roles and operations within the context of a business plan • The mandate of the proposed cooperative should aim at creating a link between members' production and supermarkets particularly in Amman 	

Product		
Improvement Needed	Constraints to Achieving improvements	Recommendations
<ul style="list-style-type: none"> • Access times to pressing mills 	<ul style="list-style-type: none"> • Lack of coordination and systematic scheduling with mills in light of fragmentation of small-scaled farmers/growers • Lack of mobile milling 	<ul style="list-style-type: none"> • Empower JOPEA and proposed farmer cooperative to represent farmers • Introduce mobile mills • Develop an operational plan to enhance coordination between farmers and mills through JOPEA

Business Opportunities/Value-Added Initiatives for Women and Small-Scale Producers

Proposed Business Opportunities and Value-Added Initiatives

The following is a description of recommended small business ideas and value-added activities which can be operated by women and small entrepreneurs in Irbid:

Proposed Initiative	Establish a Collective Marketing, Branding and Procurement Cooperative of Small-to-Medium Scale Irbid Olive Farms
Description and Rationale	<p>The idea is to formulate a cooperative of small-to-medium scale olive farms of Irbid that would be empowered to carry out the following key tasks:</p> <ul style="list-style-type: none"> • Collective branding and marketing activities including collective promotion and selling activities. The proposed cooperative can work in coordination with JOPEA on marketing and promotional activities. • Collective procurement of raw materials and packaging to achieve economies of scale for member farmers • Distribute member farmers' products directly to retailers, supermarkets, hotels and restaurants in Jordan. • Act as a representative body of member farmers and handle price negotiations with wholesalers. • Handle employment contracting issues with local, Syrian and Egyptian workers. • Registering Irbid olive within geographic indicators in coordination with JOPEA • Work with JOPEA on facilitating and monitoring coordination with the olive oil mills. • Ensure quality standards of member farm's produce. • Ensure use of unified proper packaging. • Provide a showroom to sell member farm's products directly to end consumers. <p>In addition to the above, the proposed cooperative can host women workers, as well as micro-to-small scale entrepreneurs, to introduce new products under unified branding. Such products are:</p> <ul style="list-style-type: none"> • New consumer packages of high-quality, home-style table olives (250 – 500 ml) • Home-made olive soap • Pressed olive within consumer packages of (0.5 – 5.0 Kg) • Harvesting and post-harvest handling (including sorting and grading) services to member farms on outsourced basis.

Proposed Initiative	Establish a Collective Marketing, Branding and Procurement Cooperative of Small-to-Medium Scale Irbid Olive Farms
Target Groups	The proposed cooperative can be operated by a formed contractual alliance of small-scaled producers. It targets small-scale olive farms in Irbid.
Potential Marketing Outlets	<p>Production of the proposed cooperative should a unified branding of the proposed cooperative of Irbid olive farmers and can be distributed through the following marketing outlets:</p> <ul style="list-style-type: none"> • Retailers • Supermarkets • Hotels and restaurants <p>At a later stage when production capacity is optimized, production of mobile mills can target wholesalers and exporters.</p> <p>In addition to the above, the proposed cooperative may have a showroom to sell its production directly to consumers.</p>

Proposed Initiative	Introducing mobile olive milling
Description and Rationale	<p>The idea is to establish a company or a cooperative of women and/or small-scaled entrepreneurs to operate mobile milling of olives to produce high-quality extra virgin olive oil in Irbid. The idea is to equip such company/cooperative with advanced machinery that would allow olive pressing or milling at any location throughout the governorate of Irbid. This would contribute to easing the annual olive processing and mill-related problems faced by olive growers by bringing the mill and olive processing equipment to farms to press on-site. This would also enable producing a higher-quality olive oil due to the shortened time between harvest and milling. In addition, this would help avoid the relatively-high capital and rental costs of traditional milling, thus lowering the pressing cost per bottle. Production of fine, extra-virgin olive oil of this mobile milling company/cooperative can be marketed via specialty supermarkets and high-end hyper markets in Amman.</p>
Target Groups	The proposed mobile mills can be operated by women and a formed alliance of small-scaled producers. It targets small-scale olive farms in Irbid.
Potential Marketing Outlets	<p>Production of the mobile mills may have a unified branding of the proposed cooperative of Irbid olive farmers and can be distributed through the following marketing outlets:</p> <ul style="list-style-type: none"> • Retailers • Supermarkets • Hotels and restaurants <p>At a later stage when production capacity is optimized, production of mobile mills can target wholesalers and exporters.</p>