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Report Highlights:

Since December 2022, rainfall across most of Iraq has been positive, expected to result in favorable yields and increased production for winter crops wheat and barley, with rice expected to rebound this summer for marketing year (MY) 2023/24. Despite an increase in production, the Government of Iraq (GOI) will continue to remain a significant importer of rice, wheat, and flour to supply citizens with subsidized food from the Public Distribution System (PDS), supported by the food security law 2/2022. Meanwhile, feed grain production and consumption will continue to increase as population, consumer demand, and preference for poultry increases.

WHEAT

Table 1: Wheat Production, Supply, and Distribution

Wheat	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Iraq	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2000	2945	2000	2170	0	3419
Beginning Stocks (1000 MT)	1097	1097	623	1901	0	1353
Production (1000 MT)	3500	6238	3000	3932	0	4300
MY Imports (1000 MT)	2576	2176	3500	3500	0	3800
TY Imports (1000 MT)	2576	2176	3500	3500	0	3800
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	7173	9511	7123	9333	0	9453
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	250	610	200	680	0	680
FSI Consumption (1000 MT)	6300	7000	6300	7300	0	7350
Total Consumption (1000 MT)	6550	7610	6500	7980	0	8030
Ending Stocks (1000 MT)	623	1901	623	1353	0	1423
Total Distribution (1000 MT)	7173	9511	7123	9333	0	9453
Yield (MT/HA)	1.75	2.1182	1.5	1.812	0	1.2577

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

The majority of income for Iraqi farmers comes from crop production, while the rest depends on livestock, or a mix of livestock and crop production. Grains (primarily wheat and barley) are Iraq’s main crops. In the central and south regions of Iraq (C&S), agriculture mainly depends on irrigation from the Tigris and Euphrates rivers with mixed farming techniques, whereas the Kurdistan Region of Iraq (KRI) is primarily rain-fed.

Image 1: Map of Iraq

Wheat is the strategic cereal crop produced in Iraq, accounting for about 70 percent of total cereal production in the country. The government invests considerable resources into domestic production in the form of subsidized inputs and direct purchase of harvests. The bulk of rain fed cultivation is concentrated in the north (Ninawa, Kirkuk, and Salah Al Din), and in recent years, in Anbar governorates and the five KRIs. However, most irrigated cultivation occurs in the C&S region of the country. Planting begins in October and November, and the harvest generally begins in April, extending into June in some areas. Wheat is grown on both irrigated and rain fed lands as shown in Table 2.

Production

Post expects MY 2023/24 wheat production at 4.3 MMT based on increased rainfall and area harvested. However, wheat production MY 2022/23 has been reduced to 3.9 MMT. Production in C&S was 2.765 million metric tons (MMT) and production in KRG was 1.17 MMT, making the total wheat production for Iraq at 3.9 MMT. In the C&S region, the Governorate of Salah ranked first in production at 540 thousand metric tons (TMT) (or 19.5 percent of the total production), followed by Wasit Governorate producing 352 TMT (or 12.7 percent of the total). Although Ninawa Governorate usually dominates in the area of rain-fed production, it produced only 326 TMT (or 11.8 percent) due to low rainfall, while the rest of the governorates produced 56 percent of the total. The wheat production in the irrigated zone was 2.739 MMT (or 99.1 percent), while the rain fed zone only produced 26 TMT (or 0.9 percent of the total) showing severe shortage of rainfall.

Unlike most seasons where the rain fed zones normally contribute to the highest percentage of the total wheat production, for MY 2022/23 it was the opposite. Due to low rainfall, the irrigated areas contributed to nearly all of Iraq's wheat production in the C&S region. (See Table 2)

Table 2: MY 2022/23 Wheat Production, Harvested and Total Area

Governorate	Total Planted area (Donum)	Total planted area (Ha)	Harvested area (Donum)	Harvested area (Ha)	Production (MT)
Central and Southern Region (C&S)					
Ninevah	3,771,465	942,866	550,833	137,708	326,339
Kirkuk	500,256	125,064	321,211	80,303	255,903
Diala	86,801	21,700	81,702	20,426	52,782
Anbar	205,520	51,380	204,644	51,161	139,251
Baghdad	79,297	19,824	79,277	19,819	59,034
Babylon	146,294	36,574	146,294	36,574	128,541
Karbala	103,903	25,976	103,600	25,900	89,181
Wasit	514,161	128,540	514,161	128,540	352,251
Salah-Aldine	765,793	191,448	719,033	179,758	540,330
Al Najaf	199,815	49,954	199,676	49,919	120,882
Al Qadisyia	480,872	120,218	480,872	120,218	312,779
Al Muthana	288,195	72,049	249,555	62,389	144.001
Thi Qar	188,375	47,094	185,105	46,276	134,278
Missan	112,592	28,148	110,529	27,632	80,172
Basra	43,857	10,964	43,857	10,964	28,968
Total for C&S	7,487,196	1,871,799	3,990,349	997,587	2,764,692

Source: Central Statistical Organization (CSO), Ministry of Planning

Kurdistan Region (KRG)	**Planted area in ha**	**Production in MT**
Erbil		349,493
Sulyiamnyia		519,990
Dahouk		297,399
KRI TOTAL	1,125,122	1,166,882
GRAND TOTAL	2,996,921	3,931,574

Source: Ministry of Agriculture and Water Resources (MOA&WR)

Area

Post estimates area harvested to increase to 3.4 MMT for MY 2023/24 based on improved rainfall. Adding the planned area for C&S and KRI, the total area harvested is forecasted at 3.4 million ha distributed between irrigated and rain fed area (Table 3). Table 4 summarizes the planted and harvested area for all regions.

Table 3. KRG Wheat Cropping Plan for MY 2023/24

Governorat	Rain fed area in Ha	Irrigated area in Ha	Total in Ha

e										
	Secured rainfall	Semi secured rainfall	Not secured rainfall	Surface water		Ground water				
				Flood	Sprinkler	Flood	Sprinkler	Irrigated	Rain fed	Total
Erbil	63,520	127,559		2,607	4,621	168,5	70,282	77,678	191,079	268,757
Dahouk	187,503			1,900	5,875	2,175	25,913	35,863	187,503	223,365
Sulaymaina	191,151	105,273	20,350	49,328	2,125	3,500	1,475	56,428	314,524	307,951
Halabcha	9,525			4,250		1,250		5,500	9,525	15,025
Total	451,699	230,582	20,350	58,084	12,621	7,094	97,669	175,468	702,630	878,098

Source: Ministry of Agriculture and Water Resources

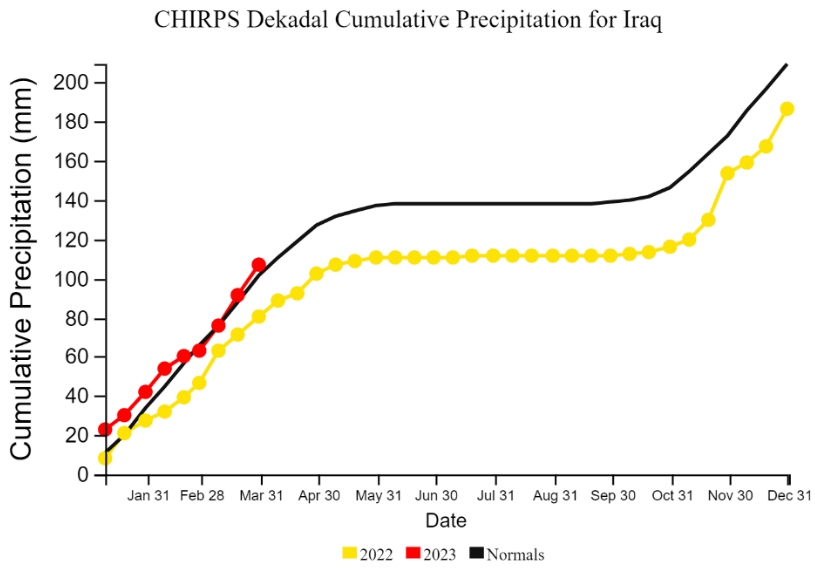
Table 4. Wheat planted areas in MY 2021/22, 2022/23 and 2023/24

Season/MY	Planted area in C&S 1000 Ha	Planted area for all Iraq 1000 Ha	Harvested area in C&S 1000 Ha	Harvested area for all Iraq 1000 Ha	Irrigated area in C&S 1000 Ha	Irrigated area for all Iraq	Rain fed area in C&S 1000 Ha	Rain fed area for all Iraq in 1000 Ha
MY 2021/22	2366	3146	1592	2372	1478	2258	888	1668
MY 2022/23	1872	2652	998	1778	984	1764	888	1668
Planned 2023/24 (1)	2541 (planned)	3.419	Awaiting harvest	Awaiting harvest	1125 (planned)	1905 (planned)	1148 (planned)	2016

Weather Conditions During MY 2023/24 for Crop Production

The first rainfall received for most of Iraq was in December 2022, which was perfect timing for sowing and irrigating new winter crops. Rainfall then slowed down in late January 2023, but resumed again in February. March witnessed few heavy rains over most parts of Iraq. The level of surface water in the rivers of the Tigris and Euphrates remains low and has been difficult to secure irrigation without rain. During MY 2022/2023 farmers in southern Iraq were forced to leave their lands due to lack of water, some losing their cattle (particularly buffalo), due to lack of animal drinking water in and around the marshland region. Intermittent rainfall has continued until late April.

Graph 1: Precipitation for Iraq



Source: USDA; Climate Hazards Group InfraRed Precipitation with Station (CHIRPS)

Ministry of Agriculture (MOA) Policy Changes

In MY 2021/22, the MOA changed its policies regarding subsidizing inputs for farmers (i.e., fertilizers, seeds, and pest control). Previously, farmers operating within the MOA annual plan received certified and registered seeds at a subsidized rate of 70 percent of the cost. This rate has been reduced in MY 2022/23 to 30 percent. Fertilizer subsidies also changed from 30 kilograms (KG)/donum (120 KG/Ha) to 5 KG/donum (20 KG/Ha). Most farmers refused to acquire the fertilizers due to the small amount and the bureaucratic challenges involved in receiving it. The same policy remained in effect MY 2022/23; however, the subsidized inputs during MY 2023/24 changed (as shown in Table 5). In addition to the above, the MOA has given an incentive through an increased purchasing price per metric ton by the Ministry of Trade (MOT).

Pest Control for Wheat Fields

Wheat fields in Iraq are prone to smut infestation which require annual aerial pesticide spraying by the MOA. However, due to a shortage in spare parts, aerial spraying has not taken place since 2021 and farmers must spray their fields manually with assistance provided by the MOA using free pesticides provided by MOA. Post estimates that the reduction in subsidized inputs of improved seeds, fertilizers, and aerial pesticide spraying for Iraqi producers contributed to lower yields in MY 2022/23. The changes in farmer input subsidies are summarized in Table 5. Currently, the MOA is working to issue a digital card for each farmer containing all the information within the card including the subsidized inputs received by the farmer from the MOA each season.

Table 5. Summary of Input Subsidies

Item	Original Subsidy 2016-2021	Current Subsidy
Pesticide (weeds, pest and fungicide) spraying of wheat fields	Complete provision free of charge by the MOA	Provision of pesticides free of charge and provide ground spraying free
Fertilizers	30 Kg/donum equivalent to (120 Kg/ha) for DAP fertilizer before season of 2020/2021	5 KG/donum equivalent to (20 Kg/ha) for DAP fertilizer for MY (2021/22) and back to 30kg/ donum equivalent to (120 Kg/ha) for MY 2022/23
Seeds (registered and certified seeds)	Subsidized by 70 percent before MY 2020/2021	Subsidized by 30 percent for MY 2021/22 and back to percent for MY 2022/23.

Source: MOA

Farm Support

Locally produced wheat is sold to the MOT for milling and distribution through the Public Distribution System (PDS). Normally, the price of wheat purchased by the MOT is announced prior to harvest.

The GOI buys local wheat from farmers at prices above the international price. A cabinet decision (249/2016) set the farm-gate price of wheat through 2016-2021. However, on March 8, 2022, the government (in its effort to support and encourage policies to the farmers), announced a new purchase price for wheat (see Table 6). The new, higher prices are expected to compensate farmers for the government’s devaluation of the Iraqi dinar (ID) against the (USD), resulting from the recent increase in oil prices in the international market and high cost for agricultural inputs due to the change in subsidies. Unlike in the previous years, the government also allows farmers cultivating wheat outside the MOA plan to sell the wheat grain to the government silos at the announced prices.

Table 6: Iraqi Wheat Procurement Prices for MY2022/23 and MY2023/24 Harvest

Grade	Former Price	New Price (Iraqi Dinar)	New Price in USD at $1=ID 1320
First Grade Wheat	560,000 Iraqi Dinars ($378/MT)	850,000 Iraqi Dinars ($574/MT)	644
Second grade wheat	480,000 Iraqi Dinars $400/MT	750,000 Iraqi Dinars ($574/MT)	568
Third grade wheat	420,000 Iraqi Dinars $ 350/MT	650,000 Iraqi Dinars ($574/MT)	492

Source: Ministry of Trade (MOT), Note: Official exchange rate from USD to ID is an estimate. (1 USD:1320 ID)

Consumption

The estimated total consumption for MY 2023/24 is revised slightly to 7.35 MMT due to increased consumer demand and population (with a growth rate of 2.3 percent and 42 million people). Out of the 7.35 MMT for consumption, 5.2 MMT is required to cover the PDS of wheat flour calculated. The eating habits of Iraqis and the increase in food waste has also contributed to the increase of consumption.

Outside the PDS rations, there are additional amounts of wheat consumed annually in the form of grain or flour. Much of the wheat flour distributed under the PDS ends up either as animal or fish feed due to poor quality, or because families cannot bake bread at home. Most families in the urban areas purchase their daily bread from local bakeries. These bakeries use imported flour mostly from Turkey or Iran, or purchase flour from families that are not able to bake the bread at home.

FSI Consumption

The bulk of consumption in Iraq goes to food because Iraq does not process much of the grain wheat in any industrial enterprise; it processes small amounts of grain in homemade wheat called “Bulgur” especially in the northern governorate of Ninawa and the KRG region.

Wheat seeds are provided by two main companies, “Mesopotamia State Seed Company,” which is a state-owned belonging to the MOA, and “Iraqi Seed Company,” which is a joint venture shared by the state and the private sector. The estimated quantity of seeds supplied to the farmers and producers for cultivation and reproduction by both companies for the MY 2023/24 are shown in Table 7.

Table 7. Provision of Wheat Seeds by Seed Companies in MY 2023/2024

Seed grade	Supplied by Mesopotamia Company in MT	Supplied by the Iraqi company in MT	Total in MT	Remarks
Foundation seed	613.450	1,002.440	1,615.89	For research
Registered seed	29,666.540	8,435.110	38,101.65	For reproduction
Certified seed	101,863.007	70,475.012	172,338.019	For cultivation by farmers

Source: Iraqi Seed Company

The seeds are subsidies by the MOA at a rate of 70 percent, and the two companies purchase seeds from local producers at a certain price and sell it to the farmers at subsidized prices as shown below in Table 8. The subsidy is paid by the MOA.

Table 8: Prices for Seeds

Seed grade	Price paid by the seed companies in Iraqi Dinar/MT	Price sold to farmers in Iraqi Dinar/MT
Foundation seed	1,147,500	440,000
Certified seed	1,062,500	410,000
Registered seed	935,000	365,000

Source: Iraqi Seed Company

The Public Distribution System (PDS)

The PDS was created in 1990 by the Ministry of Trade (MOT) and has continued to benefit most families in Iraq. The PDS provides beneficiaries access to a range of staple foods and has gone through several changes since then. Before July 2021, the PDS provided only wheat flour, sugar, cooking oil and rice. However, as of July 2021, the GOI changed its food ration to distribute a “food basket” which consists of 1 kilogram (KG) of sugar, 9 KG of wheat flour, 3 KG of rice, 0.4 KG of tomato paste, 0.5 KG of legumes (beans, lentils, or chickpeas) and one liter of cooking oil per person, 8-10 times a year at 500 Iraqi dinars ($0.34) per distribution. In April 2023, the MOT added one set of table eggs consisting of 30 eggs/set, one kg of fine pasta, five kg of fine wheat flour for pastries and ½ kg of starch powder per family.

The GOI is also working with the World Food Program (WFP) to change the paper ration card called Al Butaka Al Tamwinyia to use a fingerprint system. The program is in its final stage and will possibly by applied this year. The purpose of this program is to prevent beneficiary duplication and minimize corruption.

Trade

Post expects Iraqi wheat imports in MY 2023/24 to reach 3.8 MMT and revises up its previous import forecast from MY 2022/23 to 3.5 MMT based on higher demand for consumer preference in addition to a slight increase in population.

MY 2023/24 imports are expected to slightly increase to 3.8 MMT to meet consumer demand. In addition, there is a high chance that Iraq will continue to import wheat from the United States as the Grain

Board of Iraq is limited to only importing from the United States, Canada, and Australia. Furthermore, the GOI has increased investment in storage capacity and supply chain for wheat, particularly in the northern region, allowing increased capacity.

Wheat Flour Imports

It is estimated that around 1.5 MMT of wheat flour is imported annually, the majority of the imports are unregistered to avoid taxes and custom duties. Mills outside of Iraq have the capability to make wheat flour in specification to Iraqi preference at a lower cost than Iraqi mills, therefore making it difficult for Iraqi mills to compete.

All imported wheat flour in Iraq is done by the private sector and sold to bakeries around the country. A significant amount of wheat flour is imported from Turkey and Iran and a small amount from Jordan and Russia. Last year, wheat flour prices in the Iraqi market doubled, from 20,000 ID ($13) to 40,000 ID ($26) up to 60,000 ID ($39)/50 KG bag due to the Iraqi dinar devaluation and the high inflation rate. However, the price went down again to about ID 30,000 ($20)/50 kg bag at present.

Stocks

For MY 2022/23, stock increased to 1.35 MMT due to an increase in production and imports. Currently, the government is making serious efforts to increase stock due to the international market crisis of wheat caused by the Russian war on Ukraine. Therefore, stocks are estimated to slightly increase to around 1.42 MMT for MY 2023/24.

The MOT must keep at least three months' requirement to cover the PDS, amounting to stocks of 1.38 MMT. Since the government has yet to pass the national budget as of May 2023, Parliament passed the "Emergency Support of Food Security and Development Law" (No 2/2022) on July 4, 2022, allowing the MOT to spend $5 billion for purchasing food items to improve the PDS, including wheat outside the regular national budget. The law also supports the MOA to cover the cost subsidized inputs. As a result, the MOT purchased substantial quantities of wheat since MY 2022/23 and will continue throughout MY 2023/24. The storage capacity of the Iraqi Grain Board increased by 150 TMT by opening one new silo near Baghdad to increase the storage capacity to 4.65 MMT. Of this amount, 2.6 MMT is estimated to be held in bunkers, 1.1 MMT is in silos, and the remainder is held in barns. The governorates of Baghdad and Nineveh have the largest wheat storage capacity at 588 TMT and 506 TMT, respectively. Stocks held by private millers are low due to limited storage capacity.

BARLEY

Table 9: Barley Production, Supply, and Distribution

Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Iraq	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	600	450	600	300	0	300
Beginning Stocks (1000 MT)	238	238	79	113	0	38
Production (1000 MT)	700	650	680	450	0	450
MY Imports (1000 MT)	341	350	150	350	0	400

TY Imports (1000 MT)	141	350	100	350	0	400
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1279	1238	909	913	0	888
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	850	850	650	700	0	675
FSI Consumption (1000 MT)	350	275	230	175	0	210
Total Consumption (1000 MT)	1200	1125	880	875	0	885
Ending Stocks (1000 MT)	79	113	29	38	0	3
Total Distribution (1000 MT)	1279	1238	909	913	0	888
Yield (MT/HA)	1.1667	1.4444	1.1333	1.5	0	1.5
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Barley begins in October for all countries. TY 2023/2024 = October 2023 - September 2024						

Production

Post forecasts MY 2023/24 barley production at 550 TMT on a harvested area of 400,000 ha due to slightly increased rainfall, with a revised MY 2022/23 harvest area of 450 TMT in production.

Consumption

Locally produced barley is primarily used as feed for livestock. Barley is also used in about 10-15 percent in the poultry feedstuff for lying chickens but is not used in feedstuff for broilers. Post revises MY 2021/22 and MY 2022/23 total consumption down due to increase feed use in other grains and high prices. Post forecasts total barley consumption in MY 2023/24 to 885 TMT, with a slight increase in FSI due to an increased consumer preference to use barley for bread. Barley flour is almost entirely imported from Turkey, with a small amount from Iran.

Trade

The trade of barley is normally handled by the private sector upon issuing licenses for importation by the Ministry of Agriculture. Other than this, the government is not involved in importing barley. The MOA previously announced that they intended to import 1.5 MMT of barley during MY 2021/22 and MY 2022/23 at two lots of 750 TMT every six months, with each merchant not exceeding 40,000 MT. However, the Ministry of Agriculture retracted their intention, giving a cap on licenses to import barley in the previous marketing years. This remains true for MY 2023/24 as well, in which Post forecasts around 400 TMT of barley imports. Most imports come from neighboring countries such as Turkey, the EU, Russia, and Azerbaijan.

Stocks

MY 2021/22 and 2022/23 stocks are reduced due to import limitations enforced by the Ministry of Agriculture. Therefore, stocks remain low for MY 2023/2024 due to import limitations, although imports are expected to increase slightly to replenish stock.

For barley grain storage facilities, the government-owned “Mesopotamian State Company for Seed Production” and the “Iraqi Seed Company,” a public-private entity have rented spaces to store barley in different locations in the governorates. Farmers always keep some of their barley on-farm as seed for the next season.

Policy

Farm Support

The same MOA policy is in place regarding lifting its input subsidies on barley seeds in MY 2022/23 and that changed in MY 2023/24 enabling farmers to purchase seeds at 70 percent of its value. However, some farmers chose to keep their seeds from the previous season. The MOT buys barley from farmers at a set procurement price of 420,000 dinars/MT ($290/MT). Barley is then distributed to livestock farmers through a number of state-owned firms. Post expects that higher purchasing prices for barley will be put in force in MY 2023/24.

Companies affiliated with the MOA purchase domestic barley from farmers. These firms then resell the grain to farmers and fisheries as feed at a reduced rate. Each entitled farmer may buy up to 30 MT of barley per season. Currently, farmers pay 200,000 dinars/MT ($138/MT) for barley if available at the MOA warehouse. Often farmers keep a large share of their barley production for feeding livestock throughout the year. However, because of low production, together with high demand and high market prices for barley, it will be difficult for MOA to maintain this policy of purchasing barley in MY 2023/24. The removal of subsidies plus reported delayed payments create less incentive for farmers to sell their crop to the government.

RICE

Table 10: Rice Production, Supply, and Distribution

Rice, Milled	**2021/2022**		**2022/2023**		**2023/2024**	
Market Year Begins	**Oct 2021**		**Oct 2022**		**Oct 2023**	
Iraq	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	85	96	8	3	0	90
Beginning Stocks (1000 MT)	285	285	506	437	0	198
Milled Production (1000 MT)	250	282	20	11	0	250
Rough Production (1000 MT)	375	423	30	17	0	379

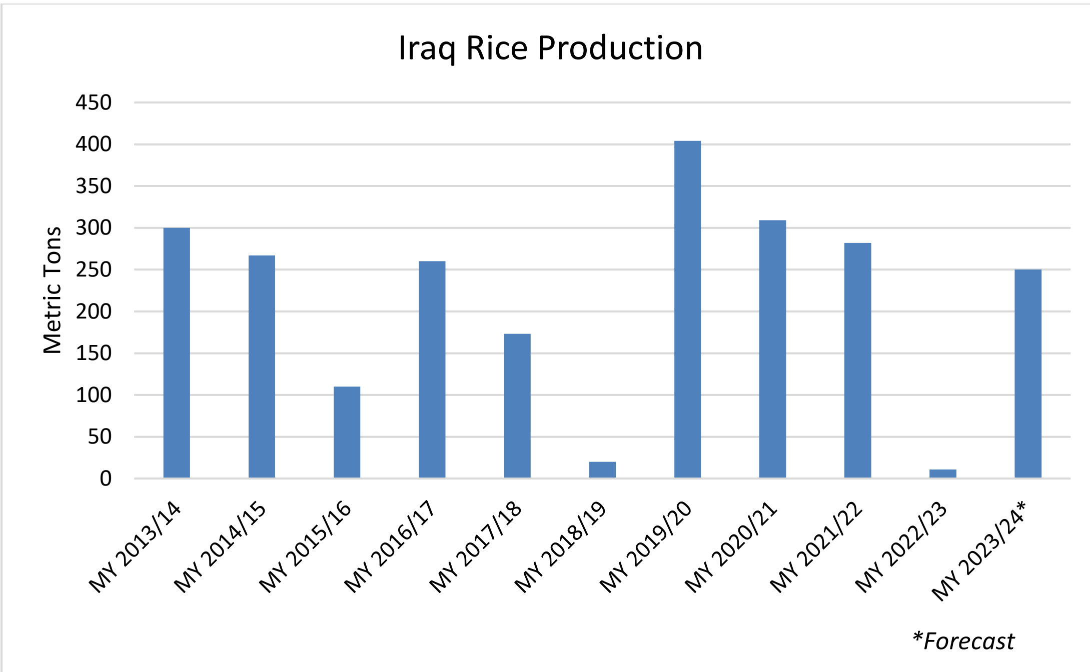
Milling Rate (.9999) (1000 MT)	6660	6660	6600	6660	0	6600
MY Imports (1000 MT)	1721	1370	1900	1400	0	1800
TY Imports (1000 MT)	2124	1420	2000	1400	0	1800
TY Imp. from U.S. (1000 MT)	88	88	0	132	0	200
Total Supply (1000 MT)	2256	1937	2426	1848	0	2248
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Consumption and Residual (1000 MT)	1750	1500	1900	1650	0	1800
Ending Stocks (1000 MT)	506	437	526	198	0	448
Total Distribution (1000 MT)	2256	1937	2426	1848	0	2248
Yield (Rough) (MT/HA)	4.4118	4.4063	3.75	5.6667	0	4.2111
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2023/2024 = January 2024 - December 2024						

Production

Post forecasts MY 2023/24 production of rice to be 250 TMT based on increased rainfall in Iraq. However, Post reduces MY 2022/23 production down to 11,000 MT instead of the previous estimate due to a reduced area harvested of 3,000 ha, due to an unfavorable planting season because of the drought. With water shortages, the GOI limited the total rice crop areas (especially in the area where rice is cultivated in southern Iraq, such as Diwaniyah and Najaf provinces). Furthermore, the production of paddy rice was less by 410.8 TMT from the previous season, which was 422.5 TMT or by 97.2 percent. The planted area was 15.4 thousand donum (3,850 ha), less than the previous season by 369.6 thousand donum (92,400 ha or by 96.0 percent) where the planted area during the previous season was 384.9 thousand donum (96,225 ha). Yield during the 2022 harvest was based on the total planted area was 757.9 Kg/donum (3,031.6 kg/ha) but was reduced by 30.9 percent compared to the yield of the previous season which was 1097.5 kg/donum (4,390 kg/ha).

The common paddy varieties cultivated in Iraq remain the same as in MY 2022/23. Planting starts from the second half of May for the early varieties namely Meshkab 1 and Eba 1, while the planting of the late varieties – namely Amber 33, Amber Baghdad, Amber Furat, and Amber Manathera – start in June. In northern Iraq, planting of the Bazyan 56 variety begins in April and continues through the end of May. Rice harvesting takes place in October for the early varieties.

Chart 1. Ten-year Trend for Rice Production in Iraq



Source: Trade Data Monitor

Table 11. Cultivated Area, Production and Average Yield of Paddy at Governorates Level for 2022

Governorate	Planted area/same as harvested area in Ha	Production in MT	Yield Kg/ha
Ninawa	95	220	2316
Babylon	48	221	4604
Al Najaf	3217	9717	3021
Qadissyia	412	1277	3100
Thi Qar	5.75	20	3478
Missan	61.25	182	2972
Total	3838	11637	3032

Source: CSO, Ministry of planning

The annual plan to cultivate paddy is normally issued in May every year, depending on the availability of water and the rainfall situation. The MOA receives clearance from the Ministry of Water Resources on the summer cropping plan, including rice. It is not clear at present how the summer cropping plan will be as it will depend on if improved rainfall will continue and whether or not Turkey will release two quantities of water to the Iraqi reserve in May or June from the Tigris River.

Consumption

The estimated population of Iraq as of January 2023 was more than 42 million, and with the population growing, estimated MY 2023/24 consumption is 1.8 MMT. The local rice market is almost totally imported by the private sector from India. The devaluation of the Iraq dinar against the US dollar at the end of 2020 increased the prices of long grain imported rice. However, consumption did not change due to consumer preference of long grain rice due to its taste, purity, and ability to cook easily.

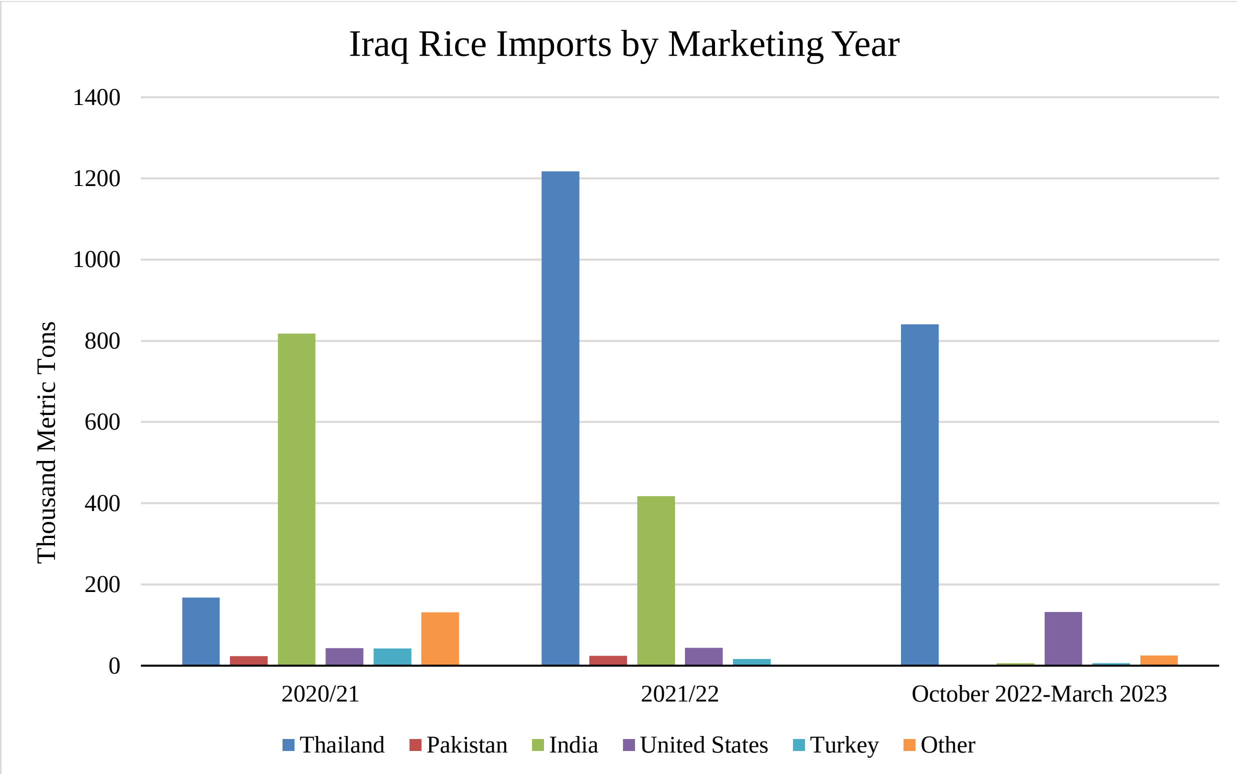
The MOT purchases locally produced rice as paddy at two prices: 900,000 ID/MT for Amber variety and 700,000 ID/MT for Jasmin variety. The MOT then processes the paddy to milled rice and adds it to the PDS ration. Amber is the most popular rice variety favored in Iraq. However, production is well below the capacity to cover consumption demands and the farmers are not obliged to market their product to the MOT. Seed companies act as mediators between the producers and farmers and do not produce their own seed. Seed companies previously paid farmers an additional 30, 20, and 10 percent above market prices for the foundation, registered, and certified seed categories respectively, but this input subsidy was lifted in 2021. With recent market price increases in rice reaching up to 2,000,000 ID/MT, farmers are unlikely to sell their paddy to the government silos at the above stated prices.

Trade

Post estimates MY 2023/24 imports of rice to reach 1.8 MMT in order to meet domestic demand with continued purchases from the United States and Thailand. Previously Iraq purchased more rice from India but has reduced its purchases due to ease of doing business with other countries.

The MOT normally purchase price for the PDS from different countries of origin namely Uruguay, United States, Thailand, Vietnam, Argentina and Brazil. However, the locally imported long grain rice outside the PDS requirement is imported by the private sector and most of it comes from India via UAE (Graph 2).

Graph 2: Iraq Rice Imports by Marketing Year



Source: Trade Data Monitor

Stocks

The estimated ending stocks in MY 2023/2024 is 448 TMT. With the nature of rice infestation and unavailability of proper storage facilities, it is not recommended to keep stock for over 3 months' requirement.

CORN

Table 12: Corn Production, Supply, and Distribution

Market Year Begins	**Jul 2021**		**Jul 2022**		**Jul 2023**	
Iraq	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	77	78	65	80	0	85
Beginning Stocks (1000 MT)	161	161	174	112	0	337
Production (1000 MT)	360	374	310	375	0	400

MY Imports (1000 MT)	833	800	800	1000	0	1100
TY Imports (1000 MT)	667	800	800	1000	0	1100
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1354	1335	1284	1487	0	1837
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	1080	1173	1050	1100	0	1200
FSI Consumption (1000 MT)	100	50	100	50	0	50
Total Consumption (1000 MT)	1180	1223	1150	1150	0	1250
Ending Stocks (1000 MT)	174	112	134	337	0	587
Total Distribution (1000 MT)	1354	1335	1284	1487	0	1837
Yield (MT/HA)	4.6753	4.7949	4.7692	4.6875	0	4.7059

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

Planting of yellow corn in Iraq takes place twice a year. Spring corn is planted from the first week of March until around March 20 in C&S but extends until the end of March in northern Iraq. The spring corn harvest takes place from June until early July. Autumn corn planting takes place in the first half of July and harvested in the second half of November until the end of December.

Production:

Post revises MY 2022/23 up to 375 TMT on a harvested area of 80,000 ha due to improved seeds, fertilizer management, and pest control. Post forecasts MY 2023/24 slightly higher to 400 TMT for production as a result of slightly better rainfall.

The MOA does not provide direct subsidized corn seeds as it is usually handled by the private sector. The MOA has promoted higher yielding, hybrid corn varieties (imported by the private sector from the United States), with yields reportedly at 10 MT/ha. Corn seeds are also imported from Turkey, Slovakia, Spain and small quantities from Holland. However, the Turkish seed is more popular because of its low cost compared to other sources. The cost in the market ranges between 132,000-330,000 ID ($100-$250) per each 50,000 seed count of corn.

Farmers deliver corn crop to the two seed companies—“Mesopotamia Seed Company” and the “Iraqi Seed Company”—at a set price of 500,000 ID. These companies process the grain corn, dry it, and then sell to the poultry, aquaculture and ruminant breeders, in which the MOA pays the subsidy to these two companies. Recently, the private sector also established corn processing plants, and some of the farmers are now delivering their products to these private sector plants.

Consumption

Post revises MY 2022/23 data down to 1.15 MMT based on an increase in other feed grains. Although the poultry industry continues to progress after an almost complete stop, aquaculture is increasing due to the high price of red meet. Therefore, Post forecasts MY 2023/24 slightly up at 1.25 MMT. The majority of yellow corn in Iraq is used by poultry mills; however, the aquaculture sector is steadily increasing. Demand that is not met by local production will be supplanted by imports.

Trade

Post estimates MY 2023/24 corn imports to reach 1.1 MMT due to increased demand for feed for both the poultry and aquaculture sector. Feed mills prefer imported corn, especially of South American origin, due to the quality, moisture rate, and low occurrence of aflatoxins.

Iraq’s corn imports are typically Argentina, Romania, Ukraine, and Turkey origin. Turkey supplies almost exclusively to northern Iraq via land routes. Before November 2023, the GOI may decide to ban corn imports from November 2023 to May 2024 to prevent imported corn from being mixed with domestic harvest and sold to the MOA at a profit.

Previously, MOA purchased local corn at a fixed price that is often above the international price and distributed the corn to Iraqi farmers at a subsidized price. The subsidy was lifted in 2021, and farmers can sell their products in the free market. However, this season, the subsidy was maintained and the farmers delivered the corn crop to the MOA companies at 500,000 ID and the farmers can buy the grain at 400,000 ID. Occasionally, the government will put in place temporary bans to protect corn farmers from low prices driven by surplus product in the market. Feed mills maintain stocks of imported corn to mill during the import ban period.

Stocks

Due to increased demand and an expected improvement on the drought during the coming summer season, Post forecasts the ending stock of corn for MY 2023/24 to be 587 TMT and a revised MY 2022/23 due to increased production. Since the MOA is again subsidizing corn, stocks are expected to be held by both the MOA and the private sector. Unfortunately, Iraq has a limited capacity to provide good storage facilities and avoid aflatoxin.

Policy

Farm Support

The MOA is presently receiving corn in the form of cops at a price of 500,000 ID/MT. The MOA then processes it, dries it, and sells it to the poultry and aquiculture breeders at 400,000 ID. The difference in price is paid by the MOA as subsides.

Previously, the MOA made an agreement with the Governorate of Kirkuk (the largest producer of corn in Iraq), to issue licenses to the private sector for drying and processing plants in Kirkuk, so that farmers can deliver their corn to these plants to have it processed. There is no set purchase price for corn except that sold by the two seed companies and the rest is subject to private sector market prices.

Attachments:

No Attachments