

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Iraq

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Iraq Food Processing Sector

Report Categories:

Food Processing Ingredients Sector

Approved By:

Charles Rush

Prepared By:

Mohammed Ibrahim

Report Highlights:

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General Information:

Iraq is in the midst of extraordinary changes both economically and politically. In spite of the many challenges to doing business in Iraq, American and European companies have demonstrated considerable interest in Iraq. FAS organized a trade mission in Baghdad for U.S. agribusinesses in 2010, in addition, FAS staff accompanied Iraqi business delegations to several international trade fairs during this period. The trade mission was lauded for connecting Iraqi companies with established American businesses. With the potential for political stability seemingly in reach, a brighter future for Iraqis is seemingly at hand.

IRAQ'S FOOD PROCESSING MARKETS: OPPORTUNITIES

According to a Ministry of Planning report, the outlook for investment opportunities in Iraq should continue to improve in step with a strengthened security and a more normalized business environment. Iraq's population will boom, reaching about 40 million people by 2025, and perhaps as much as 50 million by 2035. Included in this number is a growing population of young people whose consumption patterns will be similar to those found in the West.

Despite relatively low disposable incomes, some early entrants in the packaged food sector will soon gain consumer acceptance, as have imported products. This report is based on data presently available in Iraq, relying in part, on information provided by the Food Importers Association in Iraq.

Iraqi food processing sub-sectors:

Canning factories

Vegetable oil factories

Flour mills

Starch mills

Sugar refining and packaging

Dairy plants include ice cream factories

Pasta and macaroni factories

Fruit juice processors

Biscuits and chocolate plants

Soft drinks suppliers

Frozen foods suppliers and catering companies

Canning Factories

No	Factory Name	Factory Capacity Level				Location	Current condition
		Fruit Jam	Date Syrup	Tomato Paste	Fruit and Vegetable		
1	Kerbala Canning Factory	50 tons per day	50 tons per day	300 tons per day	50 tons per day	Kerbala Province	Not Operational

2	Diyala canning factory	50 tons per day	50 tons per day	300 tons per day	50 tons per day	Diyala Province	Not Operational
3	Balad Canning Factory	50 tons per day	50 tons per day	300 tons per day	50 tons per day	Salah AL Din Province	Not Operational
4	Dohuk Canning Factory	50 tons per day	50 tons per day	300 tons per day	50 tons per day	Dohuk province North of Iraq	Partially Operational

Tomato Paste Canning Companies

No	Name	Production	Capacity per day	Location	Brand Name	Current Condition
1	Al Dhahlaki	Tomato Paste	150-200 tons	Baghdad Province	(AL Bustan) means (Orchard	Partially Operational
2	Al Bunnia	Tomato Paste	200 tons	Baghdad Province	(ALKanz) means (Treasure)	Partially Operational
3	Al Tariq	Tomato Paste	150-200 tons	Baghdad Province	AL Baraka for tomato paste and Hello brand for the fruit jams .	Partially Operational
4	Al Shams	Tomato Paste	50 tons per day	Baghdad Province	N / A	Not Operational
5	Al Ameer	Tomato Paste	50 tons per day	Baghdad Province	N / A	Not Operational

Private sector owned canning factories

State Vegetable Oil Company

	Factory Name	Products	Capacity ton / Year		Current Condition
			Design	Current	
1	Al Rashid	Solid Vegetable Fat	65000		Operational
		Liquid Vegetable Oil	12000	10000	Operational
2	Al Maamoon	Cotton Seed Solid Fat	13000	7500	Operational
3	Al Moatasaam	Solid Fat	25000		Operational
4	Al Mansoor	Cotton	4 production	4 production	Partially

	Factory	Sun Flower Soybean Soap Detergent Maize	lines	lines	Operational
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This is the only cooking oil production company in Iraq

Flour Mills

There are approximately 200 private sector flour mills in operation in Iraq. The average production capacity per plant is 150- 200 tons/day. There are two public sector flour mills: Al Dora & Taji, both of which have a milling capacity of 1,000 tons/day.

Starch Mills (Corn Flour)

The Al Hilla starch plant has a production capacity of about 300 tons/day.

Sugar Factories

Maysan Province

Ninewa Province

Milk Production

Abu Ghraib is a state-owned milk company and is the largest in Iraq. This factory currently operates at 50% capacity. The plant produces the following milk products:

Liquid milk

Fruit-flavored milk

Plain and Fruit-flavored yogurt

Cheese varieties

Butter

Private Sector Dairy Factories

There are many other small factories with production capacity not exceeding 3,000 liters per day

Biscuit Factories

No	Factory Name	Products	Capacity Tons/ Day	Location	Current Condition
1	Hammra Factory	Biscuit and pastry	40 tons	Baghdad	Operational
2	Al Bunnia Factory	Biscuit and pastry	50 – 60	Baghdad	Operational

3	Bistcolata Factory	Biscuit and pastry	70- 100	Baghdad	Operational
4	Ferndo Biscuits and chocolate Factory	Biscuit and Chocalate	100	Baghdad	Operational
5	Al Sharqiyah Biscuit Factory	Biscuit and pastry	30	Baghdad	Operational

Currently, there are many small unregistered factories. There is no data available about their production.

Soft Drink Factories

No	Factory Name	Products - Brand	Capacity Tons/ Day	Location	Current Condition
1	Baghdad Beverage Company	Bottled Pepsi, Mirinda, Seven Up	5000-10000 Carton pack	Baghdad	Operational
2	The Arab Beverage Company	Bottled Senalko	5000-10000 Carton pack	Baghdad	Operational
3	Kufa Factory	Bottled Pepsi Seven Up	5000-10000 Carton pack	Kerbala Province	Operational
4	Hilla Factory	Bottled Pepsi, Mirinda, Seven Up	5000-10000 Carton pack	Babylon Province	Operational
5	Al Kaleej Factory	Bottled Pepsi, Mirinda, Seven Up	5000-10000 Carton pack	Baghdad	Operational

Currently, there is about 30 soft drink plant in various provinces in Iraq with productivity ranging from 5,000-10,000 330 ml carton packs per day.

Frozen Food and Catering Companies

No	Factory Name	Products	Capacity Tons/ Day	Location	Current Condition
1	Eastern Co. for Frozen Foods.	Frozen Meat and Vegetable	50	Baghdad	Partially Operational
2	Nabil Meat and Food supply	Frozen Processed Food	70	Baghdad	Partially Operational
3	Al Saad Catering Co.	Frozen Processed Food	40	Baghdad	Partially Operational
4	Al Baraka Meat Processing Co.	Frozen Processed Food	40	Baghdad	Partially Operational
5	Rose Catering Co.	Frozen Processed Food	30	Baghdad	Partially Operational
6	Meriana Catering Co.	Frozen Processed Food	30	Baghdad	Partially Operational

Iraqi food industries suffer from the following:

- the inability to compete with imported food from neighboring countries
- instability
- war
- government mismanagement and difficulties .
- poor agriculture productivity and low output
- low disposable income
- shortage of electricity, water, and raw materials