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Iraq Grain Production Faces Difficult Weather and COVID-19 Impact in 2020

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Report Highlights:

Iraqi grain production may not rebound in a similar pattern in MY 2020/21 as it did in MY 2019/20 due to a shortage of rainfall coupled with impact of the COVID-19 outbreak on Iraq's oil-dependent economy and movement restrictions that limit the ability for farmers to cultivate their grain. Post expects less than average yields per unit area of wheat and barley due to late and insufficient rainfall in growing areas. However, an increase in planned planted area for wheat and barley may compensate for yield declines. Rice production is forecast to decline due to limited availability of water. Grain food and feed consumption are forecast to rise on population growth and growing demand for meat and dairy products fueling the Iraqi livestock sector.

WHEAT

Table 1: Wheat Production, Supply, and Demand Statistics

Wheat	2018/2019		2019/2020		2020/2021	
Market Begin Year	Jul 2018		Jul 2019		Jul 2020	
Iraq	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1700	2000	2400	2350	0	3100
Beginning Stocks	1372	1372	887	887	0	1187
Production	3000	3500	4800	6600	0	6000
MY Imports	3915	3915	2500	2300	0	2700
TY Imports	3915	3915	2500	2300	0	2700
TY Imp. from U.S.	888	888	0	52	0	0
Total Supply	8287	8787	8187	9787	0	9887
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	800	1000	700	1400	0	1400
FSI Consumption	6600	6900	6800	7200	0	7400
Total Consumption	7400	7900	7500	8600	0	8800
Ending Stocks	887	887	687	1187	0	1087
Total Distribution	8287	8787	8187	9787	0	9887
Yield	1.76	1.75	2.00	2.81	0	1.94
(1000 HA), (1000 MT), (MT/HA)						

Production:

Iraqi farmers plant wheat in November in both irrigated and rainfed zones. In the irrigated zones, the harvest generally begins in May and runs until June while in the rainfed areas, it begins in June and runs through to July. Occasionally, some farmers in irrigated zones may delay harvesting until June as well. Normally, there is no double-cropping on the same land where wheat is cultivated, especially in the rainfed areas because the land becomes very dry after the harvest.

Post estimates wheat production in market year (MY) 2020/21 to be 6 million metric tons (MMT) on expanded planned planted area by the government of Iraq which will offset declining yields. Post is also revising MY 2019/20 production to 6.6 MMT and MY 2018/19 production to 3.5 MMT based on official data.

Seasonal rainfall in Iraq normally begins in October and lasts until May the following year. According to data from international and local weather sources, rainfall in MY 2020/21 is less than the previous

season, particularly between February and April 2020. In addition, the movement restrictions as a result of the unexpected spread of COVID-19 will impact farmers' ability to harvest all the planted area as well as mitigate against the annual infestation of the sunn pest (*eurygaster integriceps*) through the aerial spraying of fields. As a result, Post anticipates lower than average wheat yields.

Nevertheless, the market conditions that influence farmer decisions to plant remained unchanged in MY 2020/21 as the government's announced wheat purchase price was the same as the previous marketing year. The Iraqi government begins its annual purchase locally-produced wheat in July of each year. Table 2 lists the production, average yield, and area for MY 2019/20.

Table 2: Production of Wheat Estimates by Region for MY 2019/20 Harvest

Governorate	Average Yield KG/Hectare		Production (Ton)	Cultivated Area (Hectare)		
	Harvested Area	Total Area		Damaged Area	Harvested Area	Total Area
Ninevah	2,127	2,111	851,219	3,107	400,190	403,297
Kirkuk	3,146	3,146	395,827	-	125,796	125,796
Diala	3,317	3,317	556,659	-	167,823	167,823
Anbar	2,788	2,780	261,880	276	93,947	94,220
Baghdad	3,386	3,386	86,416	-	25,525	25,525
Babylon	3,609	3,597	207,076	189	57,377	57,566
Karbala	3,277	3,249	53,671	144	16,376	16,520
Wasit	2,932	2,932	515,286	-	175,747	175,747
Salah-Al Deen	3,252	3,214	454,394	1,663	139,714	141,376
Al-Najaf	3,042	3,024	152,095	307	49,996	50,302
Al-Qadisiya	3,538	3,538	492,025	-	139,067	139,067
Al-Muthnna	2,047	1,906	78,040	2,828	38,118	40,946
Thi-Qar	1,866	1,865	145,345	34	77,890	77,924
Maysan	2,622	1,250	64,519	26,983	24,608	51,592

Al-Basra	2,604	1,925	29,021	3,936	11,143	15,079
Total (excl. KRG)	**2,814**	**2,744**	**4,343,473**	**39,464**	**1,543,316**	**1,582,779**
Erbil	3,384	3,384	829,572	-	245,107	245,107
Sulaimnyiah	3,088	3,088	1,033,901	-	334,784	334,784
Dohouk	2,144	2,144	399,523	-	186,356	186,356
KRG Total	**2,872**	**2,872**	**2,262,996**	**-**	**766,248**	**766,248**

Source: Iraqi Central Statistics Office (CSO), Ministry of Planning (MOP), and Ministry of Agriculture and Water Resources Planning Office in Kurdistan Regional Government (KRG)

National Agricultural Plan – MY 2020/21

The Ministry of Agriculture (MOA) maintains a National Agricultural Plan which prescribes the areas farmers may plant specific crops each year. The plan lays out the ministry's understanding of the best combination of production and import decisions needed to meet country demands. MOA gives farmers incentives to follow the plan by allowing them to access subsidized inputs (i.e. fertilizers and seeds), as well as to improved marketing through the Grain Board of Iraq. Subsidized inputs for MY 2020/21 remained the same as last season where farmers operating within the plan received subsidized seeds at a rate of 30KG per *donum* (approximately 120 KG/Ha).

Farmers planting in areas not included in the plan must procure their own inputs at full market value or plant grain saved from the previous year's harvest. These farmers can also only sell their wheat as feed grade, regardless of quality, at market price.

The plan for MY 2020/21 was to plant 2.29 million hectares of wheat throughout Iraq, in both rainfed and irrigated zones. This plan does not include the area in Iraqi Kurdistan (KRG) where about additional 766,000 hectares was planned for wheat.

It is anticipated that MY 2020/21 planting may not cover the entire planned areas specified in the agricultural plan due to low rainfall that was not evenly distributed during the wheat planting and growing period. Moreover, the unexpected spread of COVID-19 in Iraq and the subsequent lockdown and curfew applied led to late plantation, especially in the rainfed zones.

Consumption:

Post estimates MY 2020/21 total consumption to reach 8.8 MMT on higher food, seed, and industrial consumption. The 2020 population of Iraq is estimated at 40.2 million with a growth rate of 2.6 percent per annum. In addition, there are many Iraqis returning post-war, adding further upward pressure on consumption. Ongoing annual consumption drawn from the Public Distribution System ration and the import of wheat and flour for different purposes contributes to the consumption rate as well.

Public Distribution System (PDS)
The Public Distribution System (PDS) was created in September 1990, following the
the system has been updated a number of times, it has consistently provided Iraqis access to a range of staple commodities. In its current iteration, program participants pay 500 Iraqi dinars ($0.42) for each quota of food which contains shares of flour, rice, sugar, and cooking oil. The program allocates nine kilograms of flour eight times per year, and allots other staples six times per year.

The PDS system accounts for a large percentage of Iraqi wheat consumption. Each of the eight PDS distributions consumes 495 TMT of wheat per distribution, or approximately 3.96 MMT per year. However, there are additional amounts consumed annually in the form of grain or flour, increasing total consumption. A large quantity of the wheat flour distributed under the PDS system ends up either as animal feed due to poor quality or because families have no ability to bake the flour.

The Ministry of Trade (MOT) in cooperation with the World Food Program is launching a new program where PDS distribution agents will use fingerprints instead of the paper ration supply card called *Al Butaka Al Tamwnyia*. This program was tested on a very small scale but has yet to be generalized across Iraq. The purpose of this program is to prevent beneficiary duplication and minimize corruption.

Flour Mills
Prior to the invasion of the Islamic State of Iraq and Syria (ISIS) into Iraq, the total Iraqi milling capacity was 14.7 MMT per year, of which 92 percent is operated by the private sector and 8 percent by the public sector. Much of the private sector milling capacity remains underutilized. Private sector mills receive wheat supplies after the public sector capacity is filled. Some private millers in the past stopped or limited production due to security concerns, however this constraint no longer occurs.

The Iraqi government retains ownership of wheat and products throughout the production process. MOT pays private firms $10/MT to mill wheat for the PDS. Additionally, millers retain 87 percent of the wheat bran produced in the process. The General Company for Grain Processing collects the remaining 13 percent of bran and sells it at a public auction. Certified agents from MOT distribute PDS commodities including flour to residential areas. Often consumers will opt to take less than their offered allocation of flour, selling it back to the agent for cash or other staples.

In April 2019, nine flour mills began milling 72 percent extraction (fine) flour for sale in the Iraqi market. Prior to this change, the only fine flour available in the Iraqi market was imported from Turkey, Iran, Kuwait or Jordan as Iraqi mills produce only 80 percent extraction flour. The Ministry of Industry (MOI) approved these nine mills to import wheat for the production of fine flour and based on their milling capacity. All wheat purchased by these firms must comply with Iraqi standards and be shipped through the Umm Qasr port. However, many Iraqi mills interested in becoming wheat importers do not have storage silos so the Iraqi Grain Board agreed to purchase the wheat on their behalf under the existing tender system. The Grain Board then maintains the private sector wheat in separate sealed hatches and releases it only after receiving payment. Several other firms have received approval to establish new mills producing 72 percent extraction flour, or convert existing production to the higher-quality flour, though they have not yet been approved for wheat imports.

Trade:
Post expects Iraqi wheat imports in MY 2020/21 to reach 2.7 MMT. This is an increase of 400 TMT or 17 percent from MY 2019/20. Lower production in the forecast year will increase dependence on imports. Post also lowers MY 2019/20 imports to 2.3 MMT based on recent import trends. Exports of U.S. wheat to Iraq is forecast to reach only 52 TMT in MY 2019/20, a 94 percent drop from the previous market year. This is due to higher domestic production along with delays in issuing tenders by the Iraqi Grain Board as a result of recent government changes.

Wheat Flour Imports
Iraq continues to import sizable volumes of wheat flour from Turkey, Iran, Kuwait, and Jordan. Traders estimate that around 85 percent of flour imports are Turkish, while the remaining 15 percent comes from other countries. Reportedly, around 100 Turkish mills are producing only for the Iraqi market. Turkish millers produce specifically for the Iraqi market and label products in Arabic as per the buyers' specifications. As the Iraqi population is beginning to consume more barley bread over wheat bread for dietary reasons, some wheat flour imports from Turkey are being replaced by barley flour, which is becoming an important source for bread in almost all private sector bakeries. According to recent statements from MOT, Iraq is importing about 3 MMT of wheat flour.

Turkish millers sell flour to Iraqi importers on credit, which is paid on a weekly basis after the product is sold. Turkish flour prices are reportedly competitive and stable, in spite of wheat market fluctuations. As crossings are limited in the mountainous border region, an advanced logistics and shipping system has developed around the city of Zakho. Reliable statistics on cross-border trade are not available and large volumes of unregistered product are likely flowing to Iraq from both Iran and Turkey.

Table 3: 2018 Private Sector Imports of Wheat and Countries of Origin

Commodity	Country	القيمة بالدينار Value (ID)	القيمة بالدولار Value ($)	الوزن (كغم) Weight (K.G)
Cereals				
Durum wheat	**Turkey**	949,745,600	802,150	2,627,869
	Kazakhstan	41,262,400	34,850	134,000
		991,008,000	837,000	2,761,869
Wheat, normal	**France**	15,984,000	13,500	39,000
	Turkey	31,523,600	26,650	102,000
	Iran	320,852,160	270,990	901,000
		368,359,760	311,140	1,042,000
Wheat, thin	**Turkey**	61,521,500	52,000	210,000
		61,521,500	52,000	210,000

Source: Iraqi CSO and MOP

Stocks:
Post estimates MY 2020/21 ending stocks to reach 1.09 MMT. The Iraqi Grain Board has a total storage capacity of 4.5 MMT. Of this amount, 2.6 MMT is 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.

The Iraqi government maintains a strategic reserve to cover at least three months of PDS wheat demand which translates to approximately 900 TMT. The government is considering to expand the strategic reserve to a six-month supply. It is unclear what percentage of stocks are privately held, though contacts indicate that private millers currently have very limited storage capacity.

Policy:
Tenders
Prior to the end of 2018, the Grain Board of Iraq was the only organization that imported wheat to Iraq. Now, private sector mills holding import licenses may import wheat. The Iraqi Grain Board purchases wheat through international tenders from only three origins – United States, Canada, and Australia. Iraqi specifications require imported wheat to be free from kernel bunt and wheat smut. Since May 2017, Iraq purchases some wheat for the PDS through direct negotiation after having difficulty attracting traders to participate in tenders.

Farm Support
The Iraqi Government buys local wheat from farmers at prices above the international price. The wheat is sold to the MOT for milling and distribution through the PDS. A cabinet decision (249/2016) set the farm-gate price of wheat through 2019 and the prices remained the same for MY 2019/20. Table 4 lists current wheat procurement prices. Meetings are currently being held among relevant ministries and authorities within the Iraqi Government to revise prices but nothing has changed as of yet.

Table 4: Iraqi Wheat Procurement Prices

Grade	Farm-Gate Price	Approx USD/MT
First Grade Wheat	560,000 Iraqi Dinars	$468/MT
Second Grade Wheat	480,000 Iraqi Dinars	$402/MT
Third Grade Wheat	420,000 Iraqi Dinars	$352/MT

The current support prices are below their pre-2016 levels, though well above international prices. The price differential creates an arbitrage opportunity to sell lower grade, imported, or mixed wheat to the public sector. Also, when wheat in the neighboring countries are cheaper, traders smuggle wheat and sell it to the government silos at the announced price as if it is locally produced.

It is worth mentioning that the impact of the spread of COVID-19 on global oil prices may affect the Iraqi government's farm support programs. The Iraqi economy is oil dependent so a drop in oil prices will limit the capacity of the government to support farmers and therefore have a subsequent impact on grain production and imports.

BARLEY

Table 5: Barley Production, Supply, and Demand Statistics

Barley	2018/2019		2019/2020		2020/2021	
Market Begin Year	Jul 2018		Jul 2019		Jul 2020	
Iraq	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	600	278	1200	1000	0	1535
Beginning Stocks	11	11	11	11	0	26
Production	780	320	1600	1650	0	1675
MY Imports	30	30	0	5	0	5
TY Imports	30	30	0	5	0	5
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	821	361	1611	1666	0	1706
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	650	320	1200	1330	0	1375
FSI Consumption	160	30	300	310	0	310
Total Consumption	810	350	1500	1640	0	1685
Ending Stocks	11	11	111	26	0	21
Total Distribution	821	361	1611	1666	0	1706
Yield	1.3	1.15	1.33	1.65	0	1.09
(1000 HA), (1000 MT), (MT/HA)						

Production:
Post estimates MY 2020/21 barley production to reach 1.675 MMT on increased planned cultivation areas to offset declined yields as the Iraqi government aims to keep barley production stable. Post is also raising MY 2019/20 barley production to 1.65 MMT and lowering MY 2018/19 production to 320 TMT based on new data.

Official data from Iraq's Central Statistic Organization showed that barley production in MY 2019/20 was 1.65 MMT. Barley production in the rainfed area was 84 percent and the remaining production (16 percent) was produced in the irrigated area. This rise in production was due to farmers increased cultivation area compared to the previous year. Additionally, yields were higher that season as farmers were able to access subsidized seeds, fertilizers, and pesticides. According to MOA, the planned area for barley cultivation in MY 2020/21 is 1.375 million hectares, not including the KRG area which is an additional 160,239 hectares.

In MY 2018/19, barley production was 320 TMT, 37 percent less than the previous season. Outside of the KRG area, Al Qadissyia governorate ranked first producing 65 TMT (34 percent) of the total barley

production followed by Al Muthana governorate producing 35 TMT (19 percent) and Missan governorate producing 26 TMT (14 percent).

Consumption:
Post forecasts MY 2020/21 total barley consumption to reach 1.685 MMT. Iraqis generally use barley as animal feed for sheep, goats, and beef and dairy cattle, which would compete directly with feed grade wheat. Some breads and other dishes for human consumption are produced with barley. However, barley in this case is mostly imported from Turkey and the volumes are low.

Trade:
Iraq does not import substantial quantities of barley. The sector mostly consumes what it produces and farmers keep some seeds to plant the next season.

Conflicting media reports included an announcement from MOA stating that it is plans to export 1 MMT of barley this year, while the MOT indicated plans to import barley. However, Iraqi barley trade volumes are generally negligible. In 2018, Iraq imported 1,582 MT of barley, the bulk of which was imported from Turkey and the rest from the European Union, China and Iran.

Table 6: 2018 Private Sector Imports of Barley and Countries of Origin

Commodity	Country	القيمة بالدينار Value(I.D)	القيمة بالدولار Value($)	الوزن (كغم) Weight(K.G)
Cereals				
Barley	**Turkey**	691,775,850	584,875	795,500
	E.U	69,817,194	59,067	138,980
	China	212,641,200	179,820	219,000
	Iran	267,631,360	226,040	429,000
		1,241,865,604	1,049,802	1,582,480

Source: Iraqi CSO and MOP

Imported barley flour is mostly used for making bread for human consumption and not for animal feed due to the increased demand for barley bread for dietary reasons. Iraq bans barley imports annually during the local harvest, generally from mid-April until late July. The ban is lifted only after local production is exhausted.

Stocks:
Post estimates MY 2020/21 ending stocks to reach 21 TMT. This is down from 26 TMT in MY 2019/20.

Policy:

Farm Support

As with wheat, the MOA subsidizes inputs to barley production. Farmers are able to purchase seeds at 70 percent of their value, fertilizers at half price, and pest spraying is often free. The ministry buys barley from farmers at a set procurement price of 420,000 dinars/MT ($352) which is the same price as third grade (feed grade) wheat. The barley is then distributed to livestock farmers through a number of state-owned firms.

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. Sheep and goat farmers are able to purchase up to eight kilograms of subsidized barley annually. Animal breeders may buy up to 30 tons of barley per season. Currently, farmers pay 278,500 dinars/MT ($234) for barley. Often farmers keep a large share of their barley production for feeding livestock throughout the year.

RICE

Table 7: Rice Production, Supply, and Demand Statistics

Rice, Milled	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
Iraq	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	8	8	95	163	0	99
Beginning Stocks	113	103	33	23	0	165
Milled Production	20	20	300	402	0	171
Rough Production	30	30	450	575	0	257
Milling Rate (.9999)	6660	6660	6660	6660	0	6660
MY Imports	1200	1200	1200	1200	0	1370
TY Imports	1220	1220	1150	1220	0	1400
TY Imp. from U.S.	154	157	0	154	0	0
Total Supply	1333	1333	1533	1625	0	1706
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Consumption and Residual	1300	1300	1400	1460	0	1600
Ending Stocks	33	23	133	165	0	106
Total Distribution	1333	1333	1533	1625	0	1706
Yield (Rough)	3.75	3.75	4.74	3.53	0	2.59
(1000 HA), (1000 MT), (MT/HA)						

Paddy rice planting in Iraq starts from the second half of May for the early varieties *Meshkab 1* and *Eba 1*, while the planting of the late varieties – namely *Anber 33*, *Anber Baghdad*, *Anber Furat*, and *Anber 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.

Cultivation of paddy rice was prohibited in southern Iraq due to water shortages and the high amounts of water used to cultivate paddy. However, following the announcement of a complete ban on rice cultivation in early June 2018, the Iraqi Ministry of Water Resources agreed to allow farmers to plant 5000 *donum* (1,250 ha) of paddy rice later the same month. The drought spurring the ban continued until November 2018, forcing Iraqi officials to direct available water resources to drinking water, industrial use, and horticulture crops. The prohibition initially included rice, corn, cotton and sesame was lifted for the 2019 growing season.

Production:

Post estimates MY 2020/21 milled rice production will reach 171 TMT from an area harvested of 99,000 hectares. The MOA planned planted area for MY 2019/20 is 98,620 hectares, a 40 percent drop from the planted area in MY 2018/19 of 162,690 hectares due to robust water conservation measures.

Paddy production was 575 TMT in MY 2019/20, an increase of over 3000 percent over MY 2018/19 due to the ban on rice cultivation. Najaf governorate ranked first in production at 45 percent followed by Qadissyia governorate at 39 percent. The capacity of the MOA to provide seeds to Iraqi farmers is only 1000 MT and the rest are either purchased on the local market or from reserved grain from the previous season.

In 2018, paddy rice cultivation decreased drastically due to the prohibition of rice cultivation as a result of drought and rainfall shortages. In addition, there was a decrease in yields due to late planting as farmers awaited the government's decision on water availability. Total production in 2018 was 93 percent lower than the previous year. The average rice yield in 2018 also declined by 30 percent from previous year.

Consumption:

Post estimates that consumption of rice in MY 2020/21 will reach 1.6 MMT reflecting steady per capita consumption. The population in Iraq estimated to be 41.18 million people in 2021.

Rice consumption under the PDS currently reaches around 720 TMT annually, or six distributions of 120 TMT. Currently, program participants receive three kilograms of rice every two months. Consumers pay 500 Iraqi dinar ($0.42) for each PDS distribution, which includes rice among other staples. According to MOT data, the January 2019 rice distribution used 117,262 MT of product.

The average price of imported rice in 2018 was around $567 per ton (ID 670,194 per ton). The MOT purchased locally produced rice in paddy form at two prices: ID 900,000/MT for *Anber* variety and ID 700,000/MT for *Jasmin* variety. The MOT then processes the paddy to milled rice and adds it to the PDS ration. Anber is the most popular rice variety grown in Iraq. Its fragrant smell makes it very much favored by Iraqi families. However, production is well below the capacity to cover consumption demands.

Non-PDS, private sector rice accounts for about 44 percent of total consumption. Private firms mill domestic rice and sell product on the local market. Currently, private importers are importing 50, 30, 20, 10 and 5KG bags of rice to Iraq. Some of the product is distributed directly, while much of it is

repackaged and sold in wholesale markets or supermarkets. Long-grain variety *Basmati* rice is mainly imported from India via UAE.

Trade:
Post estimates MY 2020/21 imports to reach 1.37 MMT, a 14 percent increase from MY 2019/20. Though there is no longer a prohibition on planting rice, the lower planted area mandated by MOA will cut production in the forecast year, leading to the need for more imports to meet consumption demands. Both the Iraqi public and private sectors import rice. The Grain Board of Iraq holds tenders to buy medium grain rice from approved origins, which include the United States, Vietnam, Argentina, Brazil and Uruguay. These imports supply the needs of the PDS program.

Stocks:
Post estimates ending stocks in MY 2020/21 will reach 106 TMT. Due to high temperatures in Iraq, it is not recommended to keep rice stocks above 3 months maximum at the risk of insect infestation.

CORN

Table 8: Corn Production, Supply, and Demand Statistics

Corn	2018/2019		2019/2020		2020/2021	
Market Begin Year	Jul 2018		Jul 2019		Jul 2020	
Iraq	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	50	50	60	101	0	184
Beginning Stocks	19	19	10	10	0	48
Production	300	300	350	473	0	740
MY Imports	91	91	200	100	0	60
TY Imports	86	86	300	100	0	60
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	410	410	560	583	0	848
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	350	350	500	510	0	700
FSI Consumption	50	50	50	25	0	20
Total Consumption	400	400	550	535	0	720
Ending Stocks	10	10	10	48	0	128
Total Distribution	410	410	560	583	0	848
Yield	6.00	6.00	5.83	4.68	0	4.02
(1000 HA), (1000 MT), (MT/HA)						

Plantation of yellow corn (*zea maize*) in Iraq takes place twice a year. Spring corn is planted from the first week of March until around March 20 in the South and Central Iraq 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 estimates that Iraq's MY 2020/21 corn production at 740 TMT on a planned planting area of 184,000 hectares. As a summer crop, corn is also very dependent on rainfall providing sufficient water for irrigation.

MY 2019/20 corn production of both the spring and autumn plantings was 473 TMT as a result of favorable weather conditions following drought in 2018. Spring corn production was very small due to late planting, amounting to only 0.1 percent of total corn production, while the autumn corn made up the bulk of production.

Before the drought conditions ended in fall 2018, the Iraqi Ministry of Water Resources had planned to prohibit corn cultivation due to water scarcity. However, due to the strategic importance of the crop, the government allowed farmers to cultivate corn using underground water especially in the governorates of Kirkuk and Saleh El Den. More than a third of Iraq's yellow corn production comes from Babylon Governorate, south of Baghdad. Corn is not planted in Northern Iraq except in the Kirkuk Governorate. The Kirkuk Governorate is the second largest corn-producing governorate in Iraq.

Yellow corn production in Iraq has increased in the past years on both higher yields and a rise in planted area. The MOA has been promoting the higher yielding, hybrid corn variety, mostly imported by the private sector from the United States, with yields reportedly at 10 MT per hectare. Imported Turkish seeds cost 600,000-800,000 ID/MT ($504-627/MT) while some imported hybrid seeds, known for exceptionally high yields, may reach 1,000,000 ID/MT ($840/MT). The Iraqi government does not provide nor directly subsidize corn seeds, or seeds for other summer crops for its farmers.

Consumption:
Post expects MY 2020/21 total consumption to reach 720 TMT on growing feed demands of the domestic poultry and aquaculture sectors. Yellow corn in Iraq is mainly used by poultry feed mills but the use of corn by the aquaculture sector is also increasing. Traders supply most imported corn to feed mills. These suppliers generally price their product including freight and offer credit terms. Feed mills prefer imported corn, especially South American origin, due to the quality, moisture rate, and low occurrence of aflatoxins.

Trade:
Post estimates MY 2020/21 corn imports will reach 60 TMT taking into consideration recent import trends, planned planted corn area and production and the difference with local demand. Iraq's corn imports origins remain as it has historically – coming from Argentina, Romania, and Turkey. Turkey supplies almost exclusively northern Iraq via land routes.

The government of Iraq frequently bans corn imports from November until May. The ban is designed to prevent imported corn from being mixed with domestic harvest and sold to the Ministry of Agriculture

at a profit. The Ministry of Agriculture normally purchases the local corn at a fixed price that is often above the international price and distributes the corn to Iraqi livestock farmers at a subsidized price. 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:
Post estimates MY 2020/21 stocks to reach 128 TMT. Iraq has a limited capacity to provide good storage facilities and avoid aflatoxin.

Policy:
Farm Support
During harvest season, farmers deliver their harvest as to ministry processing plants at a set announced price of 350,000 ID/MT ($290/MT). Drying facilities accept corn twice a year to match with the spring and autumn harvest dates. The MOA, through the Mesopotamia State Company for Seeds, then dries the corn harvest and prepares it as grain for distribution to poultry producers. The company has drying facilities spread throughout the country, however storage and processing facilities are not available in every governorate which hampers their ability to market corn.

Attachments:

No Attachments