



# GIEWS Country Brief

## The Republic of Iraq

Reference Date: 03-February-2023

### FOOD SECURITY SNAPSHOT

- Early season dryness in north, above-average rainfall elsewhere
- Below-average 2022 cereal production harvested due to drought and policy decisions
- Import requirements increasing
- High food import bill cushioned by oil revenues

### Early season dryness in north, above-average rainfall elsewhere

While climatic and geographic conditions are conducive to agricultural production, the country continues to face structural problems of water scarcity due to consecutive seasons of erratic rainfall and decreases in transboundary river flows, limiting water availability for irrigation.

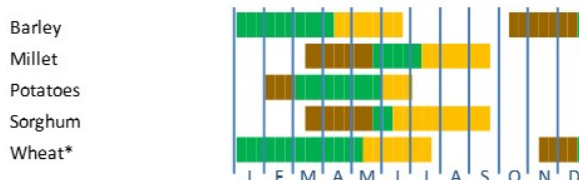
The planting of winter cereal crops, for harvest from April 2023, was completed in December. Although cumulative rainfall between October 2022 and mid-January 2023 reached average levels, amounts varied across the country. The first significant rainfall covering almost the entire the country was recorded in November and, in some areas, it reached three times the long-term average. Abundant rains in December and early January occurred in central and southern parts of the country where crops usually require supplementary irrigation. While ample rainfall at least partially replenished reservoirs in more arid regions, it also triggered flash floods. The October-December rainfall in the rainfed cereal belt in the north, including Ninewa Province, reached about 80 percent of the average, but it was sufficient to facilitate sowing operations. However, sustained rainfall amounts in February and March are needed to ensure an adequate crop development. According to the latest seasonal weather forecast for the January to March 2023 period, rainfall amounts in the north are expected to be below average.

No shortages of inputs for crop production are reported. However, farmers complain of delayed payments for the grains harvested in 2022 that were delivered to the Ministry of Trade's silos. Delayed payments are constraining cash flows and limiting farmers' ability to purchase inputs and services.

### Iraq

Crop Calendar

(\*major foodcrop)



Sowing  
Growing  
Harvesting

### Iraq

#### Cereal Production

|              | 2017-2021<br>average | 2021         | 2022<br>estimate | change<br>2022/2021 |
|--------------|----------------------|--------------|------------------|---------------------|
|              | 000 tonnes           |              |                  | percent             |
| Wheat        | 3 993                | 4 234        | 2 765            | -34.7               |
| Barley       | 807                  | 267          | 144              | -46.1               |
| Rice (paddy) | 349                  | 422          | 22               | -94.8               |
| Others       | 334                  | 296          | 293              | -1.0                |
| <b>Total</b> | <b>5 483</b>         | <b>5 219</b> | <b>3 224</b>     | <b>-38.2</b>        |

Note: Percentage change calculated from unrounded data.

Despite erratic rainfall in the main rainfed cereal producing areas in 2021 and 2022, and the widespread scarcity of irrigation water across the country, the Ministry of Water Resources approved wheat cultivation on a total of 1 million hectares in 2023, up from 750 000 hectares planted in 2022. On the irrigated lands, the 2023 plan endorses cultivation on 625 000 hectares. The measure aims to increase domestic wheat production in light of the elevated international prices and concerns about tighter availability on the global markets, particularly following the war in Ukraine. The increase in wheat area is likely to be compensated by a decrease in the area planted with barley.

## Below-average 2022 cereal harvest due to drought and policy decisions

Unfavourable rainfall in terms of amounts and distribution constrained domestic cereal production from the rainfed areas in 2022. The Central Statistical Organization (CSO) estimated the 2022 cereal harvest at 3.2 million tonnes, almost 40 percent below the near-average harvest obtained in 2021, including 2.7 million tonnes of wheat and 144 000 tonnes of barley. The official production estimates by the CSO for the past years do not include the Kurdistan Region (KRI) and some villages in Ninewa, Kirkuk, Diyala, Anbar and Salah Al-Din governorates. According to KRI authorities, production of the 2022 wheat crop is estimated at 400 000 tonnes, down about 45 percent year-on-year and the average, and about one-quarter of the exceptional output harvested in 2020.

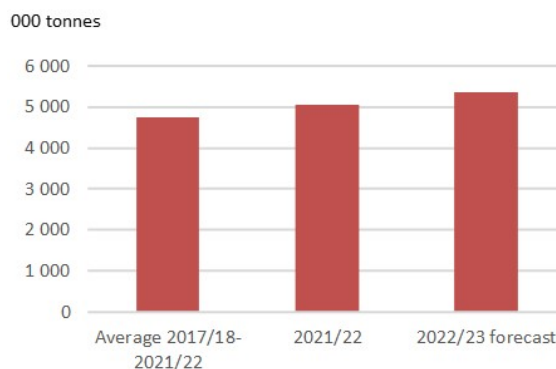
The overall decline of the 2022 cereal production was due to drought conditions in rainfed areas, particularly in Ninewa Province, but also to the policy decision to halve the area planted with irrigated crops in an effort to reduce water demand, amidst increasing water scarcity. The Ninewa Province, where about one-quarter of the country's wheat output was produced in the past, has experienced a second consecutive crop failure in 2022, when less than 15 percent of the total area planted with wheat was harvested.

Farmers adhering to the national annual agricultural plan are eligible to receive subsidized inputs, such as seeds, fertilizers and pesticides. Since 2021, the level of subsidies has declined, while in the past 70 percent of the seed costs were subsidized, current rate is 30 percent. Similarly, fertilizer subsidies have decreased. To compensate farmers for lower subsidies and currency devaluation, during the 2022 wheat procurement season, the Ministry of Trade (MOT) in March 2022 increased the procurement price from IQD 560 000/tonne (equivalent to USD 386/tonne) to IQD 750 000/tonne (equivalent to USD 510/tonne) and, in May 2022, to IQD 850 000/tonne (USD 578/tonne). In 2022, in an effort to rebuilt domestic stocks, MOT prices were applied to all locally produced wheat and not only to the production of farmers following the national annual agricultural plan, as it was the case in the past. Supported by high procurement prices, the MOT purchased about 2.5 million tonnes of wheat locally in 2022, about one-half of the amount purchased in 2020.

Livelihoods of livestock producers are likely to be severely affected by the decline in barley production and degradation of rangelands. Feed prices have been increasing since 2021, when widespread crop failure in northern areas was confirmed. The affected farmers continue to consider reducing the size of their herds, selling some animals in order to improve their cash flow

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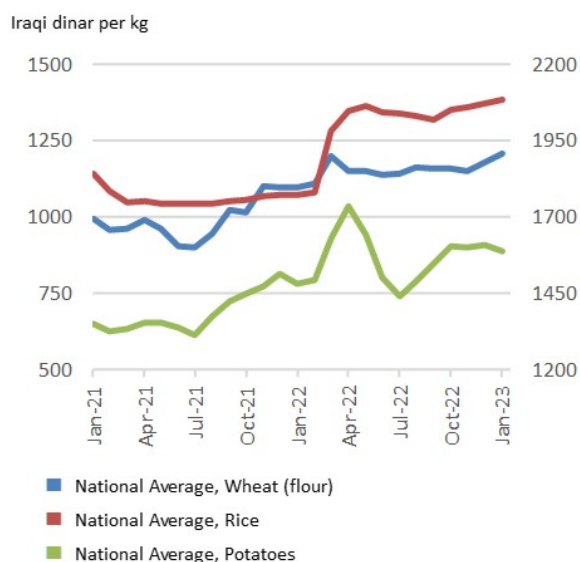
### Cereals Imports



Notes: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

## Iraq

### Selected retail food items prices



and be able to feed the remaining livestock. Some movement of livestock is likely to occur towards central and southern areas where the availability of water has improved with ample rains, compared to the northern parts of the country.

## Import requirements increasing

Cereal import requirements in the 2022/23 marketing year (July/June) are forecast at an above-average level of 5.3 million tonnes, including 3.2 million tonnes of wheat (imported mostly as flour). Overall, the 2022/23 forecast cereal import requirement is about 6 percent higher than in the previous year. Although the country usually does not import barley via official channels, it is reported that some quantities are smuggled across the borders. To compensate for the decimated domestic harvest, some imports of barley are likely to occur during the current marketing year.

Faced with a higher food import bill, in June 2022, the Iraqi parliament passed the Emergency Law for Food Security and Development which allows the government to expand food subsidies and to access public funds to import food items, in particular wheat. Overall, the law allocated IQD 25 trillion (USD 17 billion) to purchase staple food commodities, gas, electricity and to support salaries of public servants. About IQD 5 trillion (USD 3.4 billion) was allocated to MOT for the purchases of wheat.

After updating quality specifications for imports and payment terms, the import tenders failed to secure adequate shipments and the country has moved to negotiate direct contracts for imports of wheat and rice.

## High food import bill cushioned by oil revenues

Although the country's food import bill has increased in 2022 reflecting higher international food commodity prices, the country benefited from higher international oil prices to offset the increases. Oil revenues account for over 90 percent of total State revenues and they are crucial to determine the government's ability to pay pensions and salaries of public sector employees. In 2022, oil export revenues reached a record level of USD 115 billion, mostly on the account of elevated crude oil prices. After a year of political stalemate following the elections in October 2021, in late October 2022 a government was formed, allowing formulation and adoption of the 2023 budget.

In the second half of 2022, retail prices of several food items stabilized following the rapid increase that occurred in March 2022 due to general uncertainty on global markets which led to localized protests. The annual food price inflation between August and October 2022 was about 6 percent, slightly below the 8 percent recorded earlier in the year.

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*This brief was prepared using the following data/tools:*

FAO/GIEWS Country Cereal Balance Sheet (CCBS) <https://www.fao.org/giews/data-tools/en/>.

FAO/GIEWS Food Price Monitoring and Analysis (FPMA) Tool <https://fpma.fao.org/>.

FAO/GIEWS Earth Observation for Crop Monitoring <https://www.fao.org/giews/earthobservation/>.

Integrated Food Security Phase Classification (IPC) <https://www.ipcinfo.org/>.