

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Iraq

### Poultry and Products Annual

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**Report Highlights:**

Iraqi poultry production is up markedly in 2010 due to better feed availability and an improving business environment. Overall poultry imports are down so far in 2010, with the decline more than replaced by domestic production increases. U.S. exports of poultry are down by 16% by volume for the first six months of 2010. The full year 2010 forecast of U.S. poultry exports to Iraq is 150,000 MT.

Iraqi poultry producers are becoming better organized and are lobbying the government for additional assistance and for restrictions on imported poultry. Access to feed, especially protein (soybean meal) will be a constraining factor on growth in the poultry sector in 2011.

**Commodities:**

Poultry, Meat, Broiler

**Production:**

Iraqi poultry production is forecast to increase in 2010 to 230,000 MT. Factors contributing to the increase include increased feed availability, an increase in the number of poultry farms and an improved overall economic environment.

*Poultry Operations Up Sharply* The Iraqi Poultry Producers Association (IPPA) reports that the number of poultry farms in operation doubled in the past year. Much of the increase reportedly is not new capacity but rather abandoned poultry houses being reclaimed and brought back into use. IPPA also reports that capacity, as measured by how many broiler chicks an operation can take in one cycle, also more than doubled from about 20 million birds in 2009 to over 40 million in 2010.

*Feed* Feed wheat is used extensively in the poultry sector. For the last two years drought has hurt both grain and livestock production. However, near normal rains resulted in a much improved feed availability picture for the 2010 crop. With imports, the total Iraqi feed supply will be 3.6 million MT, up from 2.3 million MT last year. (This figure includes small ruminant and dairy feed as well as poultry.)

Iraq has no domestic sources of vegetable protein, and Ministry of Agriculture import rules and associated fees applied preclude large vessel-sized shipments. Soybean meal imports are limited to small consignments of U.S. or South American meal that is trucked in from neighboring countries. Limited quantities of Indian soybean meal are imported as back-haul on small costal vessels. Official feed imports for the first six months of 2010 were double that for the same period last year and are expected to be around two hundred thousand metric tons for the full year. However, the overall level of feed imports into Iraq remains modest relative to the size of the market.

The 2011 production forecast is predicated on a similar planted to wheat, modestly increasing protein meal imports, and adequate political stability to continue the rehabilitation of abandoned poultry houses (as is occurring in 2010).

**Consumption:**

*Growing Consumer Income* Iraq's per capita GDP has grown in the first half of 2010 and is expected to continue rising in the coming years as oil production expands. Per capita GDP on purchasing power parity (PPP) basis is forecast to increase by \$200 to \$4,090. Within this income range, the marginal propensity to consume poultry meat increases sharply. Per capita poultry consumption is an important indicator of living standards that have improved markedly since 2003 and growth is forecast to continue in 2011.

*Improved Business Environment* The overall level of political violence has declined in recent years, and Iraqi businesses are becoming more established and experienced.

*Long-Term Demand Growth* While Iraq's current population is just over 30 million, and with the highest fertility rate in the Middle East, its population is expanding rapidly and should total more than 50 million by 2035. Only Saudi Arabia and Iran possess larger proven oil reserves, and oil exports are expected to be the cornerstone to expanding Iraq's nearly \$100 billion economy.

**Trade:**

Imports Iraq has emerged as an important poultry market for the United States, Brazil, and Turkey. Brazil typically supplies whole birds whereas U.S. suppliers generally exports chicken parts. Imports from Jordan, Iraq's third largest supplier, are off by over 80% in the first six months of 2010 due to competition from other suppliers. 2011 imports estimates indicate modest growth in poultry parts due to improving food service demand.

Limited cold storage facilities at Iraq's main port of Umm Qasr preclude bulk shipments of frozen poultry. Most shipments of poultry come in by container or smaller refrigerated trucks from Kuwait and from Turkey.

## Poultry (HS 0209) Exported To Iraq

Calendar Years 2005 - 2009 & 2010 Year To Date

Metric Tons

Reporting Country	Calendar Year					Year To Date			Data Availability
	2005	2006	2007	2008	2009	06/09	06/10	%Chang	
Argentina	-	-	281	1,607	6,190	2,506	n/a	n/a	01/97 - 05/10
Austria	-	-	-	7	-	-	n/a	n/a	01/97 - 05/10
Brazil	4,318	3,972	32,097	56,006	142,084	71,037	57,146	-19.55	01/97 - 07/10
Canada	1,056	-	-	-	25	-	-		01/95 - 06/10
China	2,062	1,593	3,715	1,751	1,403	504	1,132	124.55	01/95 - 06/10
Denmark	-	-	-	41	397	342	n/a	n/a	01/97 - 05/10
France	688	139	-	-	-	-	20		01/97 - 06/10
Germany	5	3	1	-	-	-	n/a	n/a	01/97 - 05/10
Guatemala	592	192	-	-	-	-	n/a	n/a	01/02 - 05/10
Jordan	1,342	62	201	9,369	7,284	5,471	994	-82.83	01/94 - 05/10
Morocco	-	-	50	22	-	-	n/a	n/a	01/02 - 03/10
Netherlands	39	174	71	73	124	53	n/a	n/a	01/97 - 05/10
South Korea	11	-	30	2	-	-	-		01/96 - 06/10
Turkey	4,183	2,159	629	9,102	51,444	23,642	27,588	16.69	01/98 - 06/10
Ukraine	-	-	-	-	50	-	n/a	n/a	01/02 - 05/10
United States	112,809	111,020	138,802	133,416	159,698	105,694	88,391	-16.37	01/90 - 06/10
Uruguay	-	-	-	26	271	55	n/a	n/a	01/02 - 03/10
<b>Total</b>	<b>127,105</b>	<b>119,314</b>	<b>175,878</b>	<b>211,422</b>	<b>368,970</b>	<b>209,304</b>	<b>179,271</b>	<b>-19%</b>	

Source: GTIS and Jordanian Customs; Assumes U.S. poultry exports listed as going to Turkey are re-exported to Iraq. Note: There is undetermined poultry trade with Kuwait and Saudi Arabia.

### Policy:

The IPPA has been lobbying for increased border protection to limit poultry imports. While no new import measures have been put into place, the Ministry of Agriculture is considering several policy changes that would support domestic producers. These include: \_

- A production of subsidy 350 ID /bird (US\$0.25/bird) for farms with at least 10,000 birds
- Imports of 25,000 MT of soybean meal by the State Agricultural Supply Company
- Supporting private imports of feed by allowing for use of State Agricultural Supply Company grain storage facilities.

### Production, Supply and Demand Data Statistics:

Poultry, Meat, Broiler Iraq	2009	2010	2011	
	Market Year Begin: Jan 2009	Market Year Begin: Jan 2010	Market Year Begin: Jan 2011	
	USDA Official	New Post	New Post	
Inventory (Reference)	0			(MIL HEAD)
Slaughter (Reference)	0			(MIL HEAD)
Beginning Stocks	0	0	0	(1000 MT)
Production	110	230	250	(1000 MT)
Whole, Imports	0	180	180	(1000 MT)
Parts, Imports	368	150	160	(1000 MT)
Intra-EU Imports	0			(1000 MT)
Other Imports	0			(1000 MT)
Total Imports	368	330	340	(1000 MT)
Total Supply	478	560	590	(1000 MT)
Whole, Exports	0			(1000 MT)
Parts, Exports	0			(1000 MT)
Intra EU Exports	0			(1000 MT)
Other Exports	0			(1000 MT)
Total Exports	0	0	0	(1000 MT)
Human Consumption	478	560	590	(1000 MT)
Other Use, Losses	0			(1000 MT)
Total Dom. Consumption	478	560	590	(1000 MT)
Total Use	478	560	590	(1000 MT)
Ending Stocks	0			(1000 MT)
Total Distribution	478	560	590	(1000 MT)
CY Imp. from U.S.	0	150		(1000 MT)
CY Exp. to U.S.	0			(1000 MT)
Balance	0	0	0	(1000 MT)
Inventory Balance	0	0	0	(1000 MT)
Production Change	16	0	9	(PERCENT)
Import Change	74	0	3	(PERCENT)
Export Change	0	0	0	(PERCENT)
Trade Balance	-368	-330	-340	(1000 MT)
Consumption Change	56	0	5	(PERCENT)

Population	28,945,657	28,945,657	28,945,657	(PEOPLE)
Per Capita Consumption	16	19	20	(KG)

**Table 1**

**Author Defined:**

**Broiler Farms in operation in 2010**

Province	Number of farms (2010)	Production Capacity (2010)
Anbar	219	2,705
Babylon	276	3,299
Baghdad	327	6,023
Basra	10	164
Dhi Qar	42	394
Diyala	141	2,001
Duhok*	62	2,800
Erbil*	140	6,785
Karbala	83	1234
Maysan	32	292
Muthanna	81	966
Najaf	47	554
Ninawa	10	83
Qadasiyah	75	793
Salahalddin	194	2,612
Sulimania*	176	8,906
Ta'mim	23	437
Wasit	160	2,019
<b>Total in 2010</b>	<b>2,015</b>	<b>42,067</b>
Total in 2009	1,076	19,802

Source: Iraqi Poultry Producers Association (IPPA)

\*Indicates farms in regions administered by the Kurdistan Regional Government. For purposes of this calculation, Sulimania includes the Karamiam area.

**Iraqi Feed Imports Increasing (But Overall Levels Still Modest)**

*Metric Tons*

	CY2008	CY2009	Jan-June 2009	Jan-June 2010	% Change
Soybean Meal	11,292	52,533	29,304	43,796	49%
Corn	67,876	32,964	4,378	10,456	139%
Pelleted Feed	14,823	37,205	11,710	37,268	218%
Premix	120	260	126	1,346	968%
Total	94,111	122,962	45,518	92,866	104%

Source: Iraqi Ministry of Agriculture, State Company for Animal Resources

<b>Representative Prices of Whole Chickens by Origin</b>	<b>Iraqi Dinars/KG</b>	<b>Dollars/KG</b>
May 2010		
Brazilian (Sadia)	2,242 Din.	\$ 1.88
Brazilian (Kafeel)	2,773 Din.	\$ 2.33
Turkey (Morad)	2,596 Din.	\$ 2.18
All other types of Brazilian chicken	2,006 Din.	\$ 1.69
Saudi (Fakheeh)	2,655 Din.	\$ 2.23
Iraqi (Almas)	4,000 Din.	\$ 3.36
Note: on May 1 one Iraqi Dinar = \$0.00084		
Source: Ali Al-Shemarei, Economic Advisor to the Prime Minister's Office		

<b>Iraq – Key Economic Indicators Up in 2010</b>					
<b>Measurement</b>	<b>Currency</b>	<b>Units</b>	<b>2009</b>	<b>Est 2010</b>	<b>Source</b>
GDP (% real change pa)			4.50	6.00	World Bank; EIU estimates
Nominal GDP (US\$ at PPP)	PPP	bn	119.36	128.25	EIU calculation
Population		m	30.70	31.33	IMF, International Financial Statistics; 1997 Iraqi government census
GDP per head (\$ at PPP)	PPP		3,890.00	4,090.00	EIU calculation
Population		m	30.70	31.33	IMF, International Financial Statistics; 1997 Iraqi government census (note: this is not the same as the population number used in the USDA/PSD, which is 28 million.
Population (% change pa)			2.00	2.10	Derived from IMF, International Financial Statistics; 1997 Iraqi government census
GDP per head	US\$		2,430.00	2,920.00	Derived from IMF, International Financial Statistics
GDP per head (\$ at PPP)	PPP		3,890.00	4,090.00	EIU calculation
Real GDP growth per head (% pa)			2.50	3.90	Derived from World Bank, World Development Indicators; EIU estimates; IMF