

**B**ased on preliminary estimates, the value-added of the agriculture sector (at constant 1376 prices) increased by 13.5 percent in 1388, indicating a sharp rise when compared with the fall in the value-added of the year before (-11.8 percent).

Improved precipitation in 1387/88 farming year led to 16.4 percent increase in the production of agricultural crops as well as a rise in the value-added of the agriculture sector.

**Yield of Agricultural Products**  
(thousand tons)

	1387		Growth rate (percent)	Share in total (percent)	
	1387	1388		1387	1388
Farming crops	54,378	64,434	18.5	67.7	69.0
Horticultural crops	13,365	15,540	16.3	16.6	16.6
Livestock products	11,975	12,861	7.4	14.9	13.8
Fishery products	563	600	6.6	0.7	0.6
<b>Total</b>	<b>80,281</b>	<b>93,435</b>	<b>16.4</b>	<b>100.0</b>	<b>100.0</b>

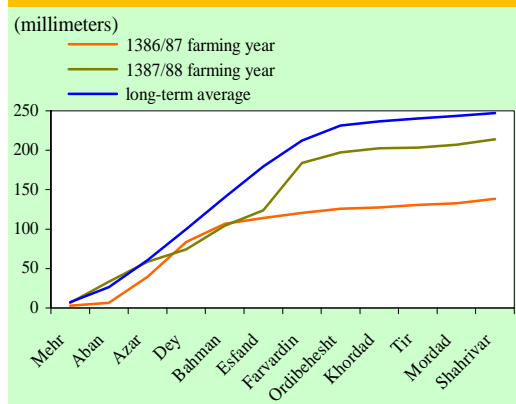
Source: Ministry of Agriculture Jihad

According to the Ministry of Energy, in 1387/88 farming year<sup>1</sup>, total precipitation amounted to 352.4 billion cubic meters

<sup>1</sup> Second half of 1387 and first half of 1388

(213.8 millimeters on average by area under cultivation), showing 54.6 percent rise compared with the previous farming year and 13.4 percent reduction compared with the long-term average (40 years). Furthermore, the volume of surface water flows reached 37.6 billion cubic meters, indicating a reduction of 10 percent compared with the previous year and 60 percent compared with the long-term average.

**Figure 2.1. Precipitation level, accumulated**



**Farming<sup>2</sup> and Horticultural Crops**

Based on the data released by the Ministry of Agriculture Jihad, in 1388, about 80 million tons of farming and horticultural

<sup>2</sup> 1387/88 farming year, beginning as of Mehr 1387 and continuing until Shahrivar 1388, is briefly referred to as 1388 in tables and figures.

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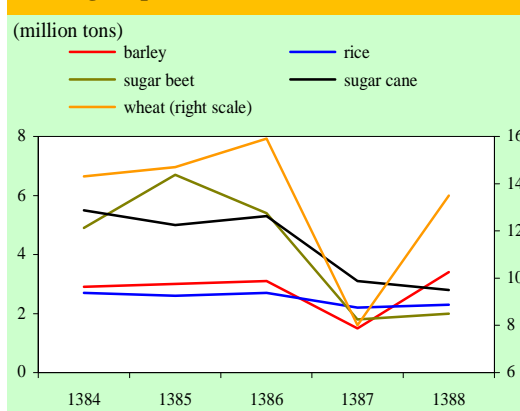
crops were harvested, showing 18.1 percent growth compared with the previous year. Of total crops, 64.4 million tons (80.6 percent) were farming and 15.5 million tons horticultural crops, up by 18.5 and 16.3 percent, respectively. Despite an increase in precipitation level which led to a rise in agricultural output, especially rain-fed crops such as wheat and barley, the drought of the previous year adversely affected the production capacity in the agriculture sector.

Grain production (wheat, barley, rice (paddy), and corn) reached 20.8 million tons, up by 54.7 percent. Among cereals, production of wheat increased by 69.5 percent to 13.5 million tons, and that of barley and rice rose 122.7 and 3.2 percent, respectively. Production of corn, however, decreased by 7.6 percent compared with the previous year.

Total production of agro-industrial crops in this year fell by 3.8 percent to 5.5 million

tons. In 1388, production of sugar beet, despite the downward trend of previous years, surged by 10.2 percent; however, production of other agro-industrial crops faced a decline. Accordingly, production of sugar cane, oilseeds, cotton, and tobacco decreased for the second consecutive year.

**Figure 2.2. Estimated production of major farming crops**



### Production and Area under Cultivation of Major Farming and Horticultural Crops

(thousand hectares-thousand tons)

	1387		1388		Percentage change	
	Area	Production	Area	Production	Area	Production
<b>Farming crops</b>						
Wheat	5,250	7,957	6,647	13,484	26.6	69.5
Barley	1,070	1,547	1,676	3,446	56.6	122.7
Rice (paddy)	527	2,184	536	2,253	1.7	3.2
Corn	243	1,777	226	1,643	-7.0	-7.6
Cotton	124	296	105	254	-15.3	-14.2
Sugar cane	62	3,097	60	2,823	-2.3	-8.9
Sugar beet	54	1,829	56	2,016	4.3	10.2
Oilseeds	275	522	241	442	-12.1	-15.4
Tobacco	11	17	8	9	-26.1	-47.2
Pulses	697	388	869	508	24.6	30.8
Potatoes	177	4,707	154	4,108	-13.2	-12.7
Onions	50	1,849	47	1,512	-5.2	-18.2
<b>Horticultural crops<sup>1</sup></b>						
Citrus fruits	291	4,025	283	4,399	-2.6	9.3
Grape	302	1,740	321	2,636	6.2	51.5
Apple	229	2,719	244	3,209	6.6	18.0
Pistachio	431	192	453	302	5.1	57.1
Green leaflet tea	24	141	32	207	34.3	46.8

Source: Ministry of Agriculture Jihad

<sup>1</sup> Figures are preliminary.

### Yield of Major Farming and Horticultural Crops by the Area under Cultivation<sup>1</sup>

(kilogram/hectare)

	1387	1388	Percentage change
<b>Farming crops</b>			
Wheat	1,515	2,029	33.9
Barley	1,446	2,057	42.2
Rice (paddy)	4,145	4,206	1.5
Corn	7,323	7,280	-0.6
Cotton	2,376	2,407	1.3
Sugar cane	50,317	46,937	-6.7
Sugar beet	33,907	35,816	5.6
Oilseeds	1,900	1,830	-3.7
Tobacco	1,543	1,104	-28.5
Pulses	557	584	5.0
Potatoes	26,519	26,674	0.6
Onions	36,935	31,868	-13.7
<b>Horticultural crops</b>			
Citrus fruits	13,851	15,535	12.2
Grape	5,765	8,222	42.6
Apple	11,893	13,170	10.7
Pistachio	446	667	49.5
Green leaflet tea	5,852	6,396	9.3

Source: Ministry of Agriculture Jihad

<sup>1</sup> Calculated based on the ratio of production to the area under cultivation

### Livestock and Fishery Products

According to the Ministry of Agriculture Jihad, total livestock products (red meat, poultry, milk, eggs, and honey) amounted to 12.9 million tons in 1388, up by 7.4 percent. All livestock products registered growth in the review year, with honey enjoying the highest increase (14 percent), and poultry the lowest increase (2.9 percent).

#### Livestock Products

(thousand tons)

	1387	1388	Percentage change
Red meat	870	902	3.7
Milk	8,772	9,552	8.9
Poultry	1,565	1,610	2.9
Eggs	727	751	3.3
Honey	41	46	14.0
<b>Total</b>	<b>11,975</b>	<b>12,861</b>	<b>7.4</b>

Source: Ministry of Agriculture Jihad

Fishery products totaled 599.8 thousand tons, showing 6.6 percent growth compared with the previous year. Of the mentioned amount, 58 percent were produced from the Persian Gulf, 34.6 percent from aquaculture centers, and the remaining from the Caspian Sea. It should be noted that, in the review year, the share of fishery products from the Caspian Sea and aquaculture centers increased. The amount and value of fishery exports were 33.4 thousand tons and \$99.1 million, up by 37.2 and 64.8 percent compared with the previous year, respectively. Rise in the exports of shrimp and various fish was the main factor behind the rise in the value of fishery exports in the review year.

#### Fishery Products and Export

(thousand tons-million dollars)

	1387	1388	Percentage change
<b>Production</b>			
Persian Gulf	342.0	348.1	1.8
Caspian Sea	37.0	44.3	19.8
Aquaculture centers	183.6	207.4	12.9
<b>Export</b>			
Value	60.1	99.1	64.8
Amount	24.4	33.4	37.2

Source: Ministry of Agriculture Jihad, Iran Fisheries Organization

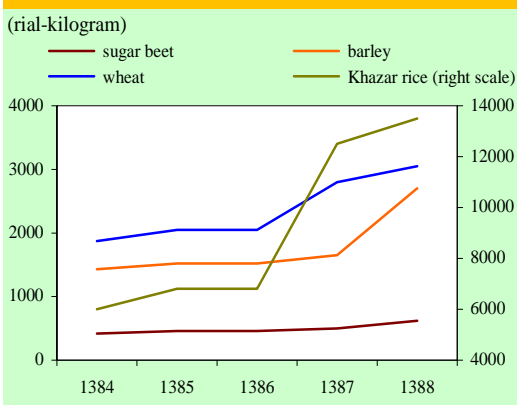
### Guaranteed Purchase of Agricultural Products

The guaranteed purchase of agricultural products with the aim of producing basic agricultural products, establishing a balanced production system, and maintaining farmers' income level continued in 1388. With the aim of producers protection, the guaranteed purchase price of all agricultural crops (except potato) increased in 1387/88 farming year. Among agricultural crops, the guaranteed

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purchase price of barley, sugar beet, sunflower seed, colza, pulses, onions, and cotton showed a higher increase than the previous year. In this year, the guaranteed purchase price of most agricultural products was well above the inflation rate. The highest increase in guaranteed purchase price was related to barley and sunflower seed, by 63.6 and 55.3 percent, respectively.

**Figure 2.3. Guaranteed purchase price of major agricultural products**



### Guaranteed Purchase Price of Agricultural Products

(rial/kilogram)

	Farming year		Percentage change
	1387	1388	
Wheat	2,800	3,050	8.9
Barley	1,650	2,700	63.6
Rice (Khazar, Fajr, and Sahel varieties)	12,500	13,500	8.0
Sugar beet	500	620	24.0

Source: Cabinet approvals and Ministry of Agriculture Jihad

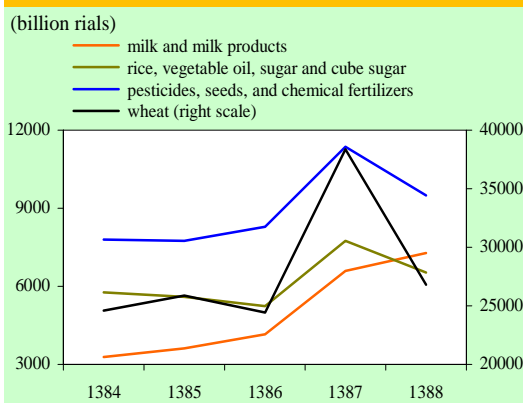
### Subsidies

Based on the data released by the Ministry of Economic Affairs and Finance and Consumers and Producers Protection Organization, subsidy paid on major agricultural

crops amounted to Rls. 53.5 trillion, showing a fall of 22.7 percent compared with the previous year. This was attributable to a remarkable increase in subsidies paid in 1387, which was in turn due to drought, and rise in the credits allocated to imports of essential goods and compensation for drought and frostbite.

In the review year, the subsidy paid on wheat and flour decreased notably by 30.2 percent to Rls. 26.8 trillion, accounting for 38.8 percent (the highest share) of total paid subsidy as in previous years.

**Figure 2.4. Subsidy paid on major agricultural products**



### Government Investment

Based on the data released by the Treasury General of the Ministry of Economic Affairs and Finance, in 1388, government credits for the acquisition of non-financial-national assets for the development of "agriculture and natural resources" and "water resources" amounted to Rls. 28.1 trillion, up by 6.9 percent compared with the previous year. Therefore, of total Rls. 23.6 trillion credits for the acquisition of non-financial assets approved in the Budget Law, 119.0 percent was realized.

### Subsidy Paid on Major Agricultural Products (billion rials)

	1387	1388	Percentage change	Share (percent)	
				1387	1388
<b>Basic goods</b>	<b>52,704.9</b>	<b>40,605.2</b>	<b>-23.0</b>	<b>61.7</b>	<b>58.7</b>
Wheat and flour	38,368.3	26,798.5	-30.2	44.9	38.8
Rice, vegetable oil, sugar and cube sugar	7,747.0	6,529.7	-15.7	9.1	9.4
Milk and milk products	6,589.6	7,277.0	10.4	7.7	10.5
<b>Agricultural inputs</b>	<b>16,505.0</b>	<b>12,907.0</b>	<b>-21.8</b>	<b>19.3</b>	<b>18.7</b>
Pesticides, seeds, and chemical fertilizers	11,362.0	9,491.7	-16.5	13.3	13.7
Other <sup>1</sup>	5,143.0	3,415.3	-33.6	6.0	4.9
<b>Total subsidy paid on agricultural products</b>	<b>69,209.9</b>	<b>53,512.2</b>	<b>-22.7</b>	<b>81.0</b>	<b>77.4</b>
<b>Total subsidy payment</b>	<b>85,433.7</b>	<b>69,152.9</b>	<b>-19.1</b>	<b>100.0</b>	<b>100.0</b>

Source: Ministry of Economic Affairs and Finance, and Consumers and Producers Protection Organization

<sup>1</sup> Includes subsidy paid to the Ministry of Agriculture Jihad (out of Supplement to the Budget Law for 1387) on the purchase of forage, financing of veterinary costs, and provision of livestock supplements, etc.

Credits for the acquisition of non-financial–national assets projects paid to "agriculture and natural resources" sector decreased by 30.3 percent to Rls. 3.0 trillion. "Improvement of agricultural lands" had the lion's share of credits allocated to the "agriculture and natural resources" sector by 32.6 percent.

National expenditures for the acquisition of non-financial assets projects for the "provision of water resources and establishments" amounted to Rls. 25.1 trillion, showing an increase of 14.4 percent compared with the year before, and much higher growth and realization compared with agriculture and natural resources sector.

### Banking Facilities

In 1388, outstanding facilities extended by banks and credit institutions to public and non-public agriculture sectors grew by 13 percent to Rls. 249.2 trillion. The share of non-public sector in outstanding facilities was 98.1 percent (Rls. 244.4 trillion).

By the end of 1388, outstanding facilities extended by commercial banks to the agriculture sector amounted to Rls. 124.8 trillion, indicating a rise of 13.1 percent compared with the preceding year. Meanwhile, outstanding facilities extended by Bank Keshavarzi Iran (Agriculture Bank of Iran) to public and non-public agriculture sectors increased by 12.8 percent and amounted to Rls. 123.1 trillion.

### Credits for Acquisition of Non-financial–National Assets for Development of "Agriculture and Natural Resources" and "Water Resources" Sectors

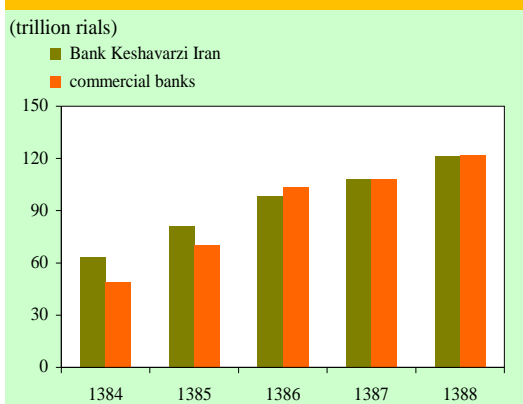
(billion rials)

	1387	1388	Percentage change	Share (percent)		1388	
				1387	1388	Value (approved)	Realization (percent)
Agriculture and natural resources	4,368.7	3,045.7	-30.3	16.6	10.8	4,367.5	69.7
Water resources	21,908.0	25,057.1	14.4	83.4	89.2	19,239.4	130.2
<b>Total</b>	<b>26,276.7</b>	<b>28,102.8</b>	<b>6.9</b>	<b>100.0</b>	<b>100.0</b>	<b>23,607.0</b>	<b>119.0</b>

Source: Ministry of Economic Affairs and Finance, and Budget Laws for 1387 and 1388

The share of commercial banks in total outstanding facilities extended to the public and non-public agriculture sector was 50.1 percent in 1388, remaining relatively unchanged compared with 1387. In this year, the outstanding facilities extended by private banks and credit institutions to the agriculture sector reached Rls. 1.3 trillion, showing a rise of 36.1 percent compared with last year.

**Figure 2.5. Outstanding facilities extended by banks to non-public agriculture sector**



In the review year, Bank Keshavarzi Iran paid Rls. 67.7 trillion to farmers through non-statutory and statutory facilities, administered funds, and contracts, down by 9.1 percent compared with the year before. This was mainly attributable to 34.4 percent rise in facilities extended by this bank in 1387

compared with 1386, which was in turn due to the drought that occurred in this year as well as the necessity to compensate for the losses of farmers and rescheduling of their debts. Of total credits paid by this bank, 75.5 percent (Rls. 51.2 trillion) were from non-statutory resources and the remaining credits (24.5 percent) in the form of statutory facilities, administered funds, and contracts. The corresponding figures of previous year were 94.7 and 5.3 percent, respectively.

Composition of facilities extended by Bank Keshavarzi Iran according to Islamic contracts reveals that installment sale had the highest share of 40.6 percent (Rls. 27.5 trillion), indicating a reduction of 39.7 percent compared with last year's performance.

Composition of facilities extended by Bank Keshavarzi Iran by use indicates that the highest share of facilities by 32.1 percent was allocated to agricultural industries and services, which increased by 44.6 percent to Rls. 21.8 trillion compared with the previous year. In this year, facilities extended to farming and horticulture declined by 28.4 percent compared with last year. Share of "farming and horticulture" in total paid facilities decreased from 39.8 percent in 1387 to 31.3 percent in 1388. In this year, facilities paid by Bank Keshavarzi Iran to all activities (except others) decreased. The

**Outstanding Facilities Extended by Banks and Credit Institutions to Public and Non-public Agriculture Sector<sup>1</sup>**

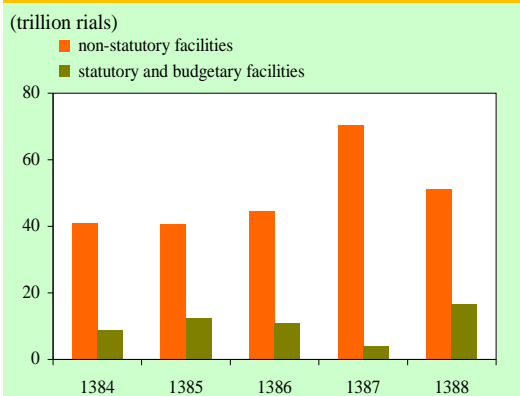
(billion rials)

	Year-end		Percentage change	Share (percent)	
	1387	1388		1387	1388
<b>Non-public sector</b>	<b>217,073.8</b>	<b>244,395.0</b>	<b>12.6</b>	<b>98.4</b>	<b>98.1</b>
Commercial banks	108,162.7	121,852.2	12.7	49.0	48.9
Bank Keshavarzi Iran	107,959.4	121,236.6	12.3	49.0	48.6
Other specialized banks	0.0	11.0	0	0.0	0.0
Private banks and credit institutions	951.7	1,295.2	36.1	0.4	0.5
<b>Public sector</b>	<b>3,463.8</b>	<b>4,847.4</b>	<b>39.9</b>	<b>1.6</b>	<b>1.9</b>
Commercial banks	2,224.7	2,948.6	32.5	1.0	1.2
Bank Keshavarzi Iran	1,239.1	1,898.8	53.2	0.6	0.8
<b>Total</b>	<b>220,537.6</b>	<b>249,242.4</b>	<b>13.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup>Excludes profit and revenue receivables.

highest decrease by 67.1 percent was related to "carpet-weaving and handicrafts".

**Figure 2.6. Facilities extended by Bank Keshavarzi Iran**



### Insurance Fund for Agricultural Products

According to the report released by the Insurance Fund for Agricultural Products, in

1387/88 farming year, this Fund insured 5.3 million hectares of lands under cultivation of 50 farming and horticultural crops against losses from natural disasters. This shows 49.9 percent increase compared with the previous year. Of total insured lands, 3.6 million hectares were damaged for which Rls. 4.1 trillion was paid by the Fund as compensation, up by 24.4 percent compared with the preceding year.

### Performance of Rural, Women, and Agricultural Cooperatives and Unions

According to the Central Organization for Rural Cooperatives, 5,397 rural, women, and agricultural cooperatives were active by end-1388, covering 5.6 million rural dwellers. This shows 1.6 percent increase in terms of the number, and 0.6 percent fall in terms of the members of cooperatives.

### Facilities Extended by Bank Keshavarzi Iran by Term of Repayment

(billion rials)

	1387	1388	Percentage change	Share (percent)	
				1387	1388
Short-term	11,129.4	45,353.7	307.5	14.9	66.9
Medium-term	21,127.7	20,510.7	-2.9	28.4	30.3
Long-term	42,236.3	1,884.7	-95.5	56.7	2.8
<b>Total</b>	<b>74,493.4</b>	<b>67,749.1</b>	<b>-9.1</b>	<b>100.0</b>	<b>100.0</b>

Source: Bank Keshavarzi Iran

### Insured Farmlands and Amount of Compensation

	Area of insured land (thousand hectares)				Area of damaged land (thousand hectares)				Compensation (billion rials)			
	1386/87		1387/88		1386/87		1387/88		1386/87		1387/88	
			Percentage change	Share (percent)			Percentage change	Share (percent)			Percentage change	Share (percent)
Wheat	1,919	3,431	78.8	64.5	1,505	2,364	57.1	66.5	1,200	1,632	36.0	40.3
Rice	192	125	-34.8	2.3	54	75	39.4	2.1	124	237	90.7	5.8
Barley	383	778	103.3	14.6	311	465	49.7	13.1	218	233	7.1	5.8
Sugar beet	32	40	25.9	0.8	4	10	137.5	0.3	8	20	162.5	0.5
Colza	97	79	-19.3	1.5	51	39	-24.4	1.1	49	41	-16.8	1.0
Pistachio	54	73	35.3	1.4	49	71	45.0	2.0	292	245	-16.0	6.0
Others	874	795	-9.0	14.9	601	533	-11.4	15.0	1,369	1,647	20.2	40.6
<b>Total</b>	<b>3,550</b>	<b>5,321</b>	<b>49.9</b>	<b>100.0</b>	<b>2,576</b>	<b>3,557</b>	<b>38.1</b>	<b>100.0</b>	<b>3,260</b>	<b>4,055</b>	<b>24.4</b>	<b>100.0</b>

Source: Insurance Fund for Agricultural Products

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In 1388, cooperative unions in small cities increased by 2.1 percent to 382 and the number of member companies reached 4,031, up by 0.6 percent.

In this year, rural cooperatives purchased 2,311.2 thousand tons of various agricultural products at guaranteed prices and 2,748.9 thousand tons, at agreed prices, up by 70.1 and 131.7 percent, respectively, compared with the year before.

### Rural, Women, and Agricultural Cooperatives and Unions

			Percentage
	1387	1388	change
<b>Rural, women, and agricultural cooperatives</b>			
Number	5,311	5,397	1.6
Members (thousand persons)	5,605	5,574	-0.6
Capital (billion rials)	1,800.0	2,015.0	11.9
Paid loan (billion rials)	77.9	293.9	277.5
<b>Cooperative unions</b>			
Number	374	382	2.1
Member companies	4,006	4,031	0.6
Capital (billion rials)	349.0	355.0	1.7
Paid loan (billion rials)	32.1	94.0	192.7

Source: Central Organization for Rural Cooperatives

### Export of Agricultural Products

Based on the data released by Islamic Republic of Iran Customs Administration,

3.2 million tons of various agricultural products, worth \$4.5 billion, were exported in the review year, indicating 3.4 percent decrease in terms of weight and 28.7 percent increase in terms of value, compared with the previous year. Export of agricultural products accounted for 6.8 percent of weight and 20.7 percent of value of total non-oil exports, showing a fall in the share of agricultural products processing industries in terms of weight and rise in their share in terms of value when compared with the corresponding figures of the previous year (10.1 percent of weight and 19.2 percent of value, respectively).

Among various agricultural products, export of sea products, with 57.1 and 28.4 percent rise in value and weight, respectively, faced the highest increase compared with the previous year. Meanwhile, export of dried fruits increased by 7.7 and 32.3 percent, in terms of weight and value, respectively. In this year, the export of raisin and pistachio rose in terms of value.

### Import of Agricultural Products

Based on the data released by Islamic Republic of Iran Customs administration, 18.4 million tons of various agricultural products,

### Export of Agricultural Products (million dollars-thousand tons)

	1387		1388		Percentage change	
	Value	Weight	Value	Weight	Value	Weight
Dried fruits	996.5	309.3	1,318.1	333.2	32.3	7.7
Vegetable products	1,032.0	2,004.1	1,501.7	2,015.0	45.5	0.5
Livestock products	651.1	263.8	560.6	240.9	-13.9	-8.7
Sea products	59.7	24.1	93.7	31.0	57.1	28.4
Agricultural products processing industries	779.0	759.9	1,055.4	627.9	35.5	-17.4
<b>Export of agricultural products</b>	<b>3,518.2</b>	<b>3,361.3</b>	<b>4,529.5</b>	<b>3,248.0</b>	<b>28.7</b>	<b>-3.4</b>
<b>Share of agricultural products in total non-oil exports<sup>1</sup></b>	<b>19.2</b>	<b>10.1</b>	<b>20.7</b>	<b>6.8</b>	<b>1.5</b>	<b>-3.3</b>

Source: Foreign Trade Statistics released by Islamic Republic of Iran Customs Administration

<sup>1</sup> Changes are in percentage points.



valued at \$8.6 billion, were imported, indicating 1.9 percent rise in terms of weight and 6.3 percent fall in terms of value. Imports of agricultural products accounted for 15.6 percent of value and 35.5 percent of weight of total imported products, showing a slight decrease when compared with the corresponding figures of the previous year.

Imports of wheat and barley decreased by 14.5 and 2.9 percent to 5.1 and 1.3 million tons, respectively, in 1388. Among essential goods, wheat had the highest share of imports by 27.4 percent. Moreover, the shares of corn, rice, and barley were 20.9, 7.0, and 7.0 percent, respectively.

Of special note is that the average unit value of exported agricultural products increased by 33.2 percent to \$1,394.6 per ton in 1388. Meanwhile, the average unit value of imported agricultural products amounted to \$464.7 per ton, down by 8.0 percent, which was due to the relative fall in the international prices of imported agricultural products. Therefore, terms of trade of the agriculture sector reached 3 in 1388 from 2.1 in 1387, pointing to an improvement in the terms of trade in favor of exports.

### Terms of Trade for Agriculture Sector

(dollar/ton)

	1387	1388	Percentage change
Average unit value of exports	1,046.7	1,394.6	33.2
Average unit value of imports	505.1	464.7	-8.0
<b>Terms of trade</b>	<b>2.1</b>	<b>3.0</b>	<b>0.9<sup>1</sup></b>

<sup>1</sup>In percentage points

The trade balance of the agriculture sector ran a deficit of \$4 billion in 1388, showing 28.2 percent fall compared with last year's deficit (\$5.6 billion). This was owing to the rise in the production of agricultural crops.

### Trade Balance of Agricultural Products

(million dollars)

	1387	1388	Percentage change
Exports	3,518.2	4,529.5	28.7
Imports	9,147.7	8,573.1	-6.3
<b>Trade balance</b>	<b>-5,628.4</b>	<b>-4,043.6</b>	<b>-28.2</b>

### Import of Agricultural Products

(million dollars-thousand tons)

	1387		1388		Percentage change	
	Value	Weight	Value	Weight	Value	Weight
Wheat	2,084	5,919	1,261	5,061	-39.5	-14.5
Barley	448	1,335	256	1,296	-42.9	-2.9
Rice	795	1,389	1,074	1,290	35.2	-7.1
Corn	1,087	3,397	903	3,854	-16.9	13.5
Tea	114	48	124	49	8.6	1.7
Sugar and cube sugar	325	1,102	327	881	0.5	-20.0
Red meat	284	73	438	109	54.4	48.3
Fish	21	19	32	31	53.3	64.6
Poultry	39	20	19	9	-50.8	-52.3
Vegetable oil	1,148	1,023	992	1,161	-13.5	13.5
Other	2,803	3,782	3,147	4,707	12.3	24.5
<b>Import of agricultural products</b>	<b>9,147</b>	<b>18,107</b>	<b>8,573</b>	<b>18,448</b>	<b>-6.3</b>	<b>1.9</b>
<b>Share of agricultural products in total imports<sup>1</sup></b>	<b>16.4</b>	<b>41.0</b>	<b>15.6</b>	<b>35.5</b>	<b>-0.8</b>	<b>-5.5</b>

Source: Foreign Trade Statistics released by Islamic Republic of Iran Customs Administration

<sup>1</sup>Changes are in percentage points.

### 4<sup>th</sup> Five-Year Development Plan

Based on the quantitative targets of the 4<sup>th</sup> FYDP, annual average growth for the value-added of the agriculture sector was set at 6.5 percent during the course of the Plan, 2.2 percentage points of which was related to factor productivity growth.

According to the national development document of the agriculture sector included in the 4<sup>th</sup> FYDP Law, it was forecast that agricultural products would experience an annual average growth of 4.7 percent, reaching 112.8 million tons at end-1388, from 85.8 million tons in 1382. Average growth of farming, horticultural, livestock and poultry, and fishery products were set at 4.2, 5.5, 6.6, and 9.5 percent, respectively.

A review of the performance of the agriculture sector indicates that during the mentioned period, the value-added of this sector rose on average by 4.0 percent per annum, from Rls. 53.5 trillion in 1383 to Rls. 65.1 trillion in 1388 at constant 1376 prices. This is lower than the average growth figure envisaged for this sector in the 4<sup>th</sup> FYDP (6.5 percent). Due to the severe drought, the value-added of this sector fell sharply by 11.8 percent in 1387, however, it experienced the highest annual growth of 13.5 percent in 1388, mainly attributable to an improvement in precipitation.

During this period, the share of the agriculture sector in GDP decreased from 10.8 percent in 1383 to 10.3 percent in 1388, at current prices.

In spite of fluctuations in the climatic conditions of the country during 1384-1388 on the one hand, and fall in the average precipitation level by 2.5 percent on the other, production of farming and horticultural crops as well as livestock and fishery products showed an average growth of 1.4 percent per annum. The total production of the agriculture sector grew from 87 million tons in 1383 to 93.4 million tons in 1388, indicating a realization of 82.8 percent when compared with the Plan target for 1388.

During the 4<sup>th</sup> FYDP period, the highest annual average growth by 6.6 percent was related to livestock products and the lowest to farming crops by 0.1 percent. Meanwhile, fishery products and horticultural crops grew respectively by 4.8 and 3.5 percent on average.

During the years of the 4<sup>th</sup> FYDP, outstanding facilities (net) extended by banks and credit institutions to the agriculture sector increased from Rls. 85 trillion in 1383 to Rls. 249.2 trillion in 1388, indicating an average growth of 24 percent. The ratio of

### Quantitative Targets and Performance of Agricultural Output during 4<sup>th</sup> FYDP Period (thousand tons-percent)

	Base year		Performance				Average growth (performance)	Average growth (target) <sup>1</sup>	Difference (percentage points)
	1383	1384	1385	1386	1387	1388			
Farming crops	64,036.4	69,939.3	71,264.8	73,618.2	54,378.1	64,434.5	0.1	4.2	-4.1
Horticultural crops	13,108.6	14,864.4	15,205.7	16,116.3	13,365.3	15,540.4	3.5	5.5	-2.0
Livestock products	9,340.5	9,990.5	10,655.4	11,335.4	11,974.7	12,861.4	6.6	6.6	0.0
Fishery products	474.5	522.6	575.6	562.4	562.6	599.8	4.8	9.5	-4.7
<b>Total</b>	<b>86,960.0</b>	<b>95,316.7</b>	<b>97,701.5</b>	<b>101,632.3</b>	<b>80,280.7</b>	<b>93,436.0</b>	<b>1.4</b>	<b>4.7</b>	<b>-3.3</b>

<sup>1</sup> As envisaged in the national development document of agriculture sector (base year: 1382); Ministry of Agriculture Jihad

outstanding facilities extended to the agriculture sector to total extended facilities followed a downward trend from 14.3 percent in 1383 base year to 12.9 percent in 1388. This ratio was 13.7 percent on average during 1384-1388.

Facilities extended by Bank Keshavarzi Iran during the mentioned period showed 13.0 percent growth on average and amounted to Rls. 67.7 trillion in 1388, from Rls. 36.7 trillion in 1383.

Acquisition of non-financial-national assets (development expenditures) for the development of "agriculture and natural resources" as well as "water resources and establishments" totaled Rls. 28.1 trillion in the final year of the 4<sup>th</sup> Plan (1388), showing 18.9 percent growth on average.

Over the course of the 4<sup>th</sup> Plan, total subsidy paid to the agriculture sector grew on average by 19.2 percent and reached Rls. 53.5 trillion in 1388, from Rls. 22.2 trillion in 1383.

Total insured lands under the cultivation of farming and horticultural crops decreased

slightly by 0.1 percent on average, to 5.3 million hectares in 1388. During this period, area of damaged land and total paid compensation went up by 19.2 and 21.9 percent, respectively.

During the 4<sup>th</sup> Plan period, imports of agricultural products exceeded the exports of such products in terms of both value and volume. During that period, imports of agricultural products reached 18.4 million tons valued at \$8.6 billion, indicating 22.5 percent growth in value per annum and 18.3 percent rise in weight on an annual basis. Exports of these products, on the other hand, grew on average by 17.0 percent in terms of value and 11.8 percent in terms of weight to respectively \$4.5 billion and 3.2 million tons at end-1388. Based on the national document for the development of the "agriculture and natural resources" sector, exports of agricultural products was set at \$3.5 billion for 1388, indicating full realization.

Trade balance deficit in the agriculture sector grew by 31.1 percent on average and reached \$4 billion at end-1388.

### Exports, Imports, and Trade Balance of Agricultural Products during the 4<sup>th</sup> FYDP

		1383	1384	1385	1386	1387	1388	Annual average growth (percent) (base year: 1383)
Weight (thousand tons)	Export	1,856.9	2,532.2	3,186.6	4,263.7	3,361.3	3,248.0	11.8
	Import	7,956.6	8,701.6	12,858.1	10,897.7	18,106.9	18,448.4	18.3
Value (million dollars)	Export	2,063.4	2,379.6	3,055.5	3,660.9	3,518.2	4,529.5	17.0
	Import	3,106.8	3,239.0	4,901.7	5,410.1	9,146.5	8,573.1	22.5
<b>Trade balance (million dollars)</b>		<b>-1,043.3</b>	<b>-859.4</b>	<b>-1,846.2</b>	<b>-1,749.2</b>	<b>-5,628.4</b>	<b>-4,043.6</b>	<b>31.1</b>