

**B**ased on the data released by the Ministry of Jihad-e-Agriculture, in 1390, major agricultural products including farming, horticultural, livestock, and fishery products were estimated at about 91.6 million tons, showing 3.0 percent decrease compared with the previous year.

Based on preliminary data, the value-added of the agriculture sector decreased by 0.1 percent in 1390 (at constant 1383 prices). This variable had indicated 4.9 percent increase in the previous year. Decrease in precipitation was the main factor behind the fall in the value-added of the agriculture sector in 1390.

**Table 2.1. Agricultural Products** (thousand tons)

			Growth rate (percent)	Share in total (percent)	
	1389▲	1390		1389	1390
Farming products	69,449	65,437	-5.8	73.6	71.4
Horticultural products	13,633	14,456	6.0	14.4	15.8
Livestock products	10,654	10,961	2.9	11.3	12.0
Fishery products	664	735	10.8	0.7	0.8
<b>Total</b>	<b>94,399</b>	<b>91,589</b>	<b>-3.0</b>	<b>100.0</b>	<b>100.0</b>

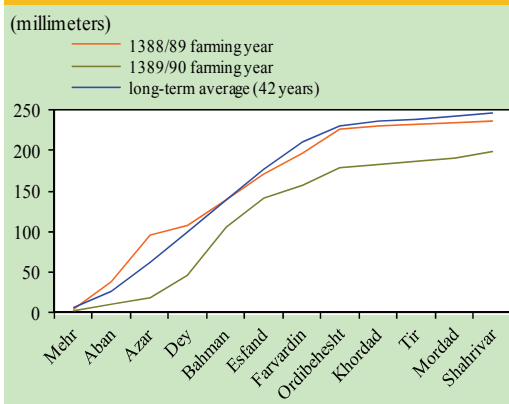
Source: Ministry of Jihad-e-Agriculture

According to the Ministry of Energy, in 1389/90 farming year<sup>1</sup>, total precipitation

<sup>1</sup> Second half of 1389 and first half of 1390

amounted to 328.2 billion cubic meters (199.1 millimeters on average by area under cultivation), showing 16.0 percent reduction compared with the previous farming year and 19.0 percent fall compared with the long-term average (42 years). Furthermore, the volume of surface water flows reached 44.2 billion cubic meters, indicating 15.0 percent fall compared with the previous farming year and 51.0 percent reduction compared with the long-term average.

**Figure 2.1. Cumulative precipitation**



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

Based on the data released by the Ministry of Jihad-e-Agriculture, in 1390, about 79.9

<sup>2</sup> 1389/90 farming year, beginning as of Mehr 1389 and continuing until Shahrivar 1390, is briefly referred to as 1390 in tables and figures.

## Chapter 2 AGRICULTURE

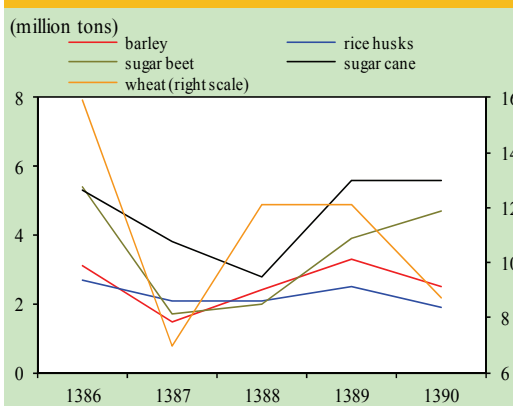
million tons of farming and horticultural products were harvested, showing 3.8 percent decrease compared with the previous year. Of total agricultural products, 65.4 million tons (81.9 percent) were farming products, showing 5.8 percent decrease compared with the year before. On the other hand, horticultural products amounted to 14.5 million tons, indicating 6.0 percent increase.

Grain production (wheat, barley, rice husks, and corn) decreased by 23.3 percent to 15.0 million tons. Among these four products, production of wheat had the highest share of 57.8 percent. Wheat production decreased by 28.5 percent and amounted to 8.7 million tons in 1390. Production of rice husks and barley fell 24.0 and 23.1 percent, respectively, compared with the year before.

In 1390, total production of agro-industrial crops<sup>1</sup> experienced a rise of 9.2 percent and reached 11.1 million tons. Moreover,

production of sugar cane and sugar beet, which had the highest shares of respectively 51.0 and 42.5 percent among agro-industrial crops, amounted to 5.6 and 4.7 million tons, respectively. Production of cotton, as the major input of textile industry, experienced the highest increase by 61.7 percent.

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



**Table 2.2. Production and Area under Cultivation of Major Farming and Horticultural Products**

(thousand hectares-thousand tons)

	1389▲		1390		Percentage change	
	Area	Production	Area	Production	Area	Production
<b>Farming products</b>						
Wheat	6,490	12,143	6,310	8,678	-2.8	-28.5
Barley	1,585	3,294	1,588	2,534	0.2	-23.1
Rice husks	564	2,490	530	1,893	-5.9	-24.0
Corn	240	1,657	265	1,907	10.3	15.1
Cotton	91	167	117	271	28.7	61.7
Sugar cane	66	5,648	66	5,643	*	-0.1
Sugar beet	100	3,866	109	4,703	9.9	21.6
Oilseeds	257	434	307	425	19.5	-2.2
Tobacco	10	14	12	19	27.6	36.0
Pulses	632	419	632	421	*	0.5
Potatoes	146	4,275	170	4,708	16.4	10.1
Onions	56	1,929	62	2,173	10.8	12.6
<b>Horticultural products</b>						
Citrus fruits	..	3,675	..	3,864	0	5.1
Grape	..	2,098	..	2,400	0	14.4
Apple	..	3,281	..	3,466	0	5.6
Pistachio	..	216	..	157	0	-27.3
Tea leaves	..	121	..	112	0	-7.4

Source: Ministry of Jihad-e-Agriculture

<sup>1</sup> Including cotton, sugar cane, sugar beet, oilseeds, and tobacco

**Table 2.3. Yield of Major Farming and Horticultural Products per Unit Area of Land Cultivation** (kilograms per hectare)

	1389▲	1390	Percentage change
<b>Farming products</b>			
Wheat	1,871	1,375	-26.5
Barley	2,078	1,596	-23.2
Rice husks	4,419	3,572	-19.2
Corn	6,898	7,196	4.3
Cotton	1,839	2,312	25.7
Sugar cane	85,650	85,566	-0.1
Sugar beet	38,818	42,950	10.6
Oilseeds	1,688	1,382	-18.1
Tobacco	1,476	1,573	6.6
Pulses	663	666	0.4
Potatoes	29,220	27,647	-5.4
Onions	34,533	35,124	1.7
<b>Horticultural products</b>			
Citrus fruits	..	..	0
Grape	..	..	0
Apple	..	..	0
Pistachio	..	..	0
Tea leaves	..	..	0

Source: Ministry of Jihad-e-Agriculture

### Livestock and Fishery Products

According to the Ministry of Jihad-e-Agriculture, total livestock products (red meat, milk, poultry, eggs, and honey) amounted to 11.0 million tons in 1390, showing a rise of 2.9 percent compared with the previous year.

**Table 2.4. Livestock Products** (thousand tons)

	1389▲	1390	Percentage change
Red meat	738	741	0.4
Milk	7,438	7,686	3.3
Poultry	1,666	1,783	7.0
Eggs	767	700	-8.7
Honey	45	51	12.7
<b>Total</b>	<b>10,654</b>	<b>10,961</b>	<b>2.9</b>

Source: Ministry of Jihad-e-Agriculture

Fishery products totaled 735 thousand tons, showing 10.8 percent growth compared with the previous year. It is to be noted that 56.0 percent of fishery products were related to the Persian Gulf, about 38.8 percent to the aquaculture centers, and the remaining were produced from the Caspian Sea. The weight and value of fishery exports were 57 thousand tons and \$212 million, up by respectively 27.6 and 32.3 percent compared with the year before.

**Table 2.5. Fishery Products and Exports**

	1389	1390	Percentage change
<b>Production (thousand tons)</b>	<b>664</b>	<b>735</b>	<b>10.8</b>
Persian Gulf	369	412	11.8
Caspian Sea	44	38	-13.7
Aquaculture centers	251	285	13.5
<b>Exports</b>			
Value (million dollars)	160	212	32.3
Weight (thousand tons)	45	57	27.6

Source: Ministry of Jihad-e-Agriculture, Iran Fisheries Organization

### Guaranteed Purchase of Agricultural Products

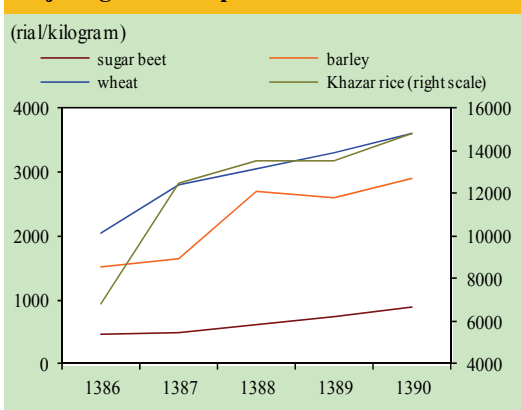
The guaranteed purchase of agricultural products continued in 1390, with the aim of producing basic agricultural products, establishing a balanced production system, and maintaining farmers' income level. In 1389/90 farming year, among 20 farming products, the guaranteed purchase price of 2 products showed decrease while that of other products increased (except for the guaranteed purchase price of onion (autumn planting) which remained unchanged). The highest increase in the guaranteed purchase price of agricultural products was related to "raw cotton" and "sugar beet" by 20.0 percent, to reach Rls. 9,000 and Rls. 900 per kilogram, respectively.

**Table 2.6. Guaranteed Purchase Price of Major Agricultural Products (rial/kilogram)**

	1389	1390	Percentage change
Wheat	3,300	3,600	9.1
Barley	2,600	2,900	11.5
Khazar rice	13,500	14,800	9.6
Sugar beet	750	900	20.0

Source: Cabinet approvals

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



### Subsidies

In implementation of Subsidy Reform Plan as of end-Azar 1389, cash subsidies were directly paid to households and different economic sectors by "Organization of Targeted Subsidies". Based on Article 8 of Subsidy Reform Plan, the government is required to spend 30 percent of net receipts from the implementation of this Plan on grants-in-aid, subsidies on loans and facilities extended by banks, or administered funds in implementation of the following:

A. Optimizing energy consumption in productive, services, and residential units,

and encouraging implementation of energy saving plans, and in observance of the consumption pattern as determined by the relevant executive organization;

B. Reforming the technological structure of productive units, aiming at enhancing water and energy efficiency, and developing generation of electricity from renewable energy sources;

C. Compensating the utility companies for part of the losses incurred as a result of implementing this Plan, including water and sewage, electricity, natural gas, and oil products companies, as well as the municipalities and the village councils;

D. Developing and improving public transportation, within the framework of Public Transportation Development and Fuel Consumption Management Law, with maximum disbursement as set by Article 9 of that Law;

E. Supporting the producers in the agriculture and manufacturing sectors;

F. Supporting the production of industrial bread;

G. Promoting non-oil exports;

H. Developing interactive electronic services to eliminate or reduce the unnecessary commuting.

In line with the provisions of the mentioned Article, Organization of Targeted Subsidies paid Rls. 95.2 trillion to productive and services units in 1390. According to the relevant report released by this organization, share of the agriculture sector in total subsidy payment in 1390 was 18.5 percent.

**Table 2.7. Subsidy Payments Based on Article 8 of Subsidy Reform Plan in 1390** (billion rials-percent)

	Value	Share in total
Support for milk producers	1,000	1.1
Subsidy on agricultural inputs	6,000	6.3
Subsidy paid on milk to milk processing plants	1,000	1.1
Agricultural Insurance Fund	45.7	0.05
Difference received on gas oil quotas allocated to the agriculture sector	9,008	9.5
Difference received on gas oil quotas allocated to the fisheries sector	584	0.6
<b>Total subsidy paid to agriculture sector</b>	<b>17,638</b>	<b>18.5</b>
<b>Total subsidy payment based on Article 8</b>	<b>95,228</b>	<b>100.0</b>

Source: Organization of Targeted Subsidies

### Government Investment

Based on the data released by the Ministry of Economic Affairs and Finance, in 1390, government credits for the acquisition of non-financial–national assets for the development of "agriculture and natural resources" and "water resources" amounted to Rls. 32.3 trillion, up by 47.1 percent compared with the previous year. Therefore, 89.9 percent of total approved credits (Rls. 35.9 trillion) were realized.

Credits for the acquisition of non-financial–national assets projects paid to "agriculture and natural resources" sector increased by 80.2 percent to Rls. 6.8 trillion. "Improvement of agricultural lands" had the lion's share of credits allocated to the "agriculture and natural resources" sector by 39.7 percent.

**Table 2.8. Credits for Acquisition of Non-financial–National Assets for Development of "Agriculture and Natural Resources" and "Water Resources"** (billion rials)

	1389	1390	Percentage change	Share (percent)		1390	
				1389	1390	Value (approved)	Realization (percent)
Agriculture and natural resources	3,766.3	6,785.6	80.2	17.1	21.0	8,431.6	80.5
Water resources	18,198.6	25,524.8	40.3	82.9	79.0	27,514.5	92.8
<b>Total</b>	<b>21,964.9</b>	<b>32,310.3</b>	<b>47.1</b>	<b>100.0</b>	<b>100.0</b>	<b>35,946.1</b>	<b>89.9</b>

Source: Ministry of Economic Affairs and Finance, and Budget Laws for 1389 and 1390

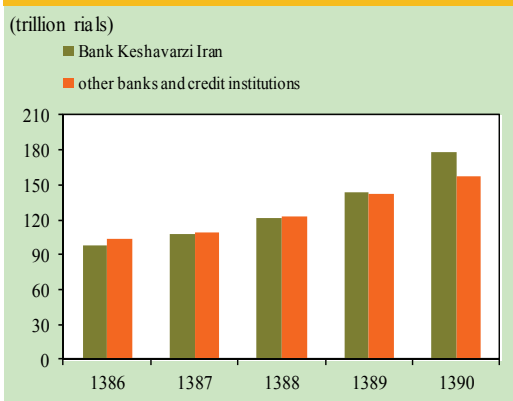
National expenditures for the acquisition of non-financial assets projects for the development of "water resources" amounted to Rls. 25.5 trillion, up by 40.3 percent compared with the year before.

### Banking Facilities

By the end of 1390, outstanding facilities extended by banks and non-bank credit institutions to public and non-public agriculture sectors grew by 17.1 percent to Rls. 338.3 trillion. The share of non-public sector in outstanding facilities was 99.4 percent.

By the end of Esfand 1390, outstanding facilities extended by Bank Keshavarzi Iran (Agriculture Bank of Iran) to non-public agriculture sector increased by 24.4 percent and amounted to Rls. 178.5 trillion.

**Figure 2.4. Outstanding facilities extended by banks to non-public agriculture sector**



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In this year, share of Bank Keshavarzi Iran in total outstanding facilities extended to public and non-public agriculture sectors increased by 3.1 percentage points to 53.1 percent compared with 1389.

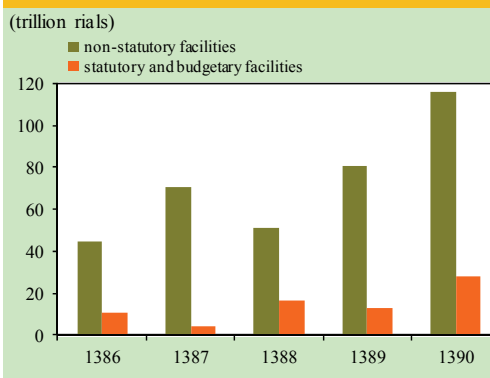
In 1390, Bank Keshavarzi Iran paid Rls. 143.9 trillion to farmers through non-statutory and statutory facilities, administered funds, and contracts, up by 52.7 percent compared with the year before. Of total credits paid by this bank, 80.4 percent (Rls. 116 trillion) were from non-statutory resources, and the remaining credits (19.6 percent) were in the form of statutory facilities, administered funds, and contracts. Share of non-statutory resources in total was lower than the corresponding figure of 1389 (85.9 percent).

Composition of facilities extended by Bank Keshavarzi Iran according to Islamic contracts reveals that partnership contracts had the highest share by 40.0 percent. In this year, a sum of Rls. 58.0 trillion was paid in the form of partnership contracts, indicating a rise of 39.8 percent compared with last year's performance.

Composition of facilities extended by Bank Keshavarzi Iran by use indicates that credits allocated to "agricultural industries

and services", enjoying the highest share in total facilities by 37.0 percent, increased by 131 percent to Rls. 53 trillion. In 1390, facilities paid by Bank Keshavarzi Iran to all activities increased. The highest increase by 131.0 percent was related to "agricultural industries and services", followed by "fishery and aquatic plants and animals" by 72.9 percent. The value of facilities extended by "Bank Keshavarzi Iran" to other sectors (trade services and industries other than agriculture) decreased by 44.9 percent compared with the year before, bringing the share of other sectors in total facilities extended by this bank to 6.0 percent.

**Figure 2.5. Facilities extended by Bank Keshavarzi Iran**



**Table 2.9. Outstanding Facilities Extended by Banks and Non-bank Credit Institutions to Public and Non-public Agriculture Sectors<sup>1</sup>**

	Year-end		Percentage change	Share (percent)	
	1389	1390		1389	1390
<b>Non-public sector</b>	<b>286,077.6</b>	<b>336,225.0</b>	<b>17.5</b>	<b>99.0</b>	<b>99.4</b>
Bank Keshavarzi Iran	143,486.5	178,527.0	24.4	49.7	52.8
Other banks and non-bank credit institutions	142,591.1	157,698.0	10.6	49.3	46.6
<b>Public sector</b>	<b>2,862.4</b>	<b>2,053.7</b>	<b>-28.3</b>	<b>1.0</b>	<b>0.6</b>
<b>Total</b>	<b>288,940.0</b>	<b>338,278.7</b>	<b>17.1</b>	<b>100.0</b>	<b>100.0</b>

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

**Table 2.10. Facilities Extended by Bank Keshavarzi Iran by Term of Repayment**

(billion rials)

	1389	1390	Percentage change	Share (percent)	
				1389	1390
Short-term	69,215.0	91,510.7	32.2	73.4	63.6
Medium-term	22,054.6	49,625.7	125.0	23.4	34.5
Long-term	2,968.0	2,724.2	-8.2	3.1	1.9
<b>Total</b>	<b>94,237.6</b>	<b>143,860.6</b>	<b>52.7</b>	<b>100.0</b>	<b>100.0</b>

Source: Bank Keshavarzi Iran

**Agricultural Insurance Fund**

In 1389/90 farming year, about Rls. 10.2 trillion was paid by Agricultural Insurance Fund as compensation, showing a rise of 76.9 percent compared with the previous farming year.

Due to the fact that this Fund is a loss-making institution, a large proportion of its commitments on compensations is financed through government subsidies. Share of government subsidies in total paid compensation was about 77 percent on average during 1384-1390, while only 23 percent was financed out of farmers' premium payments.

According to the report released by the Agricultural Insurance Fund, in 1389/90 farming year, this Fund insured 6.1 million hectares of lands under cultivation of 60 farming and horticultural products against losses from natural disasters. This shows 32.3 percent increase compared with the previous year. Of total insured lands in 1390, approximately 4.2 million hectares were damaged for which a sum of Rls. 7.2 trillion was paid by the Fund as compensation. The amount of compensation indicated 80.5 percent rise in this year compared with 1389.

**Table 2.11. Performance of Agricultural Insurance Fund**

Sectors	Area of insured land			Area of damaged land			Compensation (billion rials)		
	1389	1390	Percentage change	1389	1390	Percentage change	1389▲	1390	Percentage change
Farming (thousand hectares)	4,214	5,644	33.9	2,249	3,816	69.7	2,173	4,347	100.1
Horticulture (thousand hectares)	427	496	16.2	314	404	28.5	1,798	2,821	56.9
Livestock (thousand)	9,989	12,773	27.9	1,012	716	-29.3	460	544	18.1
Poultry (million)	594	861	45.0	285	116	-59.9	1,298	2,430	87.2
Aquaculture centers (thousand square meters)	39,465	55,171	39.8	4,644	9,051	94.9	19	47	148.1
Natural resources (thousand hectares)	3,090	3,014	-2.5	1,778	1,418	-20.3	20	15	-22.0
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,768</b>	<b>10,204</b>	<b>76.9</b>

Source: Agricultural Insurance Fund



**Table 2.12. Insured Farming and Horticultural Lands and Amount of Compensation**

	Area of insured land (thousand hectares)				Area of damaged land (thousand hectares)				Compensation (billion rials)			
	1389		1390		1389		1390		1389▲		1390	
			Percentage change	Share (percent)			Percentage change	Share (percent)			Percentage change	Share (percent)
Wheat	2,980	4,362	46.4	71.0	1,674	3,050	82.2	72.3	1,554	3,232	108.0	45.1
Rice	159	126	-20.3	2.1	49	74	52.2	1.8	137	319	132.5	4.5
Barley	558	669	19.9	10.9	311	496	59.5	11.8	233	403	72.8	5.6
Sugar beet	71	65	-8.8	1.1	16	20	28.2	0.5	34	61	83.2	0.9
Colza	70	61	-12.4	1.0	40	28	-31.0	0.7	39	38	-2.1	0.5
Pistachio	90	99	9.3	1.6	63	103	63.7	2.4	252	419	66.3	5.9
Others	713	758	6.3	12.4	411	448	9.2	10.6	1,722	2,695	56.5	37.6
<b>Total</b>	<b>4,641</b>	<b>6,140</b>	<b>32.3</b>	<b>100.0</b>	<b>2,563</b>	<b>4,220</b>	<b>64.6</b>	<b>100.0</b>	<b>3,971</b>	<b>7,168</b>	<b>80.5</b>	<b>100.0</b>

Source: Agricultural Insurance Fund

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

According to the Central Organization for Rural Cooperatives, the number of active rural, women, and agricultural cooperatives came to 5,164 by end-1390. These cooperatives covered 5.6 million rural dwellers. This indicated 2.2 and 0.7 percent decrease in terms of the number and members of cooperatives, respectively.

The number of cooperative unions in small cities increased by 13.7 percent to 447 while the number of member companies decreased by 3.4 percent to 3,926 by end-1390.

**Table 2.13. Rural, Women, and Agricultural Cooperatives and Unions**

	1389	1390	Percentage change
<b>Rural, women, and agricultural cooperatives</b>			
Number	5,281	5,164	-2.2
Members (thousand persons)	5,622	5,583	-0.7
Capital (billion rials)	2,165	2,346	8.4
Paid loan (billion rials) <sup>1</sup>	320	150	-53.2
<b>Cooperative unions</b>			
Number	393	447	13.7
Member companies	4,063	3,926	-3.4
Capital (billion rials)	390	533	36.5
Paid loan (billion rials) <sup>1</sup>	102	178	74.6

Source: Central Organization for Rural Cooperatives

<sup>1</sup>Referring to annual performance

In this year, rural cooperatives purchased about 197 thousand tons of various agricultural products at guaranteed prices, down by 87.7 percent compared with the year before. Moreover, they bought 2.3 million tons of agricultural products at agreed prices, indicating 79.8 percent rise compared with 1389.

### Exports of Agricultural Products

Based on the data released by the Ministry of Jihad-e-Agriculture, 3.7 million tons of various agricultural products, worth \$5.5 billion, were exported in 1390, indicating 13.3 percent reduction in terms of weight and 3.8 percent rise in terms of value compared with the previous year. Exports of agricultural products accounted for 5.6 percent of weight and 16.4 percent of value of total exports through Customs. In 1390, "farming and horticultural products" accounted for 70.7 percent of total agricultural exports in terms of weight, and 61.1 percent of total agricultural exports in terms of value.

### Imports of Agricultural Products

Based on the data released by the Ministry of Jihad-e-Agriculture, approximately 13.0 million tons of various agricultural products



valued at \$10.0 billion were imported, indicating 13.3 percent fall in terms of weight and 7.5 percent rise in terms of value. Imports of agricultural products accounted for 16.1 percent of value and 33.7 percent of weight of total imported products. The average value of each ton of imported agricultural products was \$770, up by 24.0 percent compared with the previous year.

Imports of wheat amounted to 282 thousand tons in 1390, representing 67.5 and 53.3 percent reduction in terms of weight and value, respectively. The highest growth in the weight and value of major farming products, by 204.1 and 403.6 percent, respectively, was related to barley.

The trade balance of the agriculture sector ran a deficit of \$4.4 billion in 1390, showing an increase of 12.5 percent compared with the previous year.

**Table 2.16. Trade Balance of Agricultural Products** (million dollars)

	1389	1390	Percentage change
Imports	9,273	9,971	7.5
Exports	5,326	5,531	3.8
<b>Trade deficit</b>	<b>3,948</b>	<b>4,440</b>	<b>12.5</b>

The average per ton value of exported agricultural products increased by 19.8 percent to \$1,488 in 1390. Considering the composition of agricultural imports and exports, terms of trade of the agriculture sector reached 1.93 in 1390, down from 2.0 in 1389.

**Table 2.17. Terms of Trade for Agriculture Sector** (dollar/ton)

	1389	1390	Percentage change
Per ton value of exports	1,242	1,488	19.8
Per ton value of imports	621	770	24.0
<b>Terms of trade</b>	<b>2.00</b>	<b>1.93</b>	<b>-3.4</b>

**Table 2.14. Exports of Agricultural Products** (million dollars-thousand tons)

	1389		1390		Percentage change	
	Value	Weight	Value	Weight	Value	Weight
Livestock and poultry <sup>1</sup>	201	106	228	53	13.4	-49.8
Fish and fishery products	148	41	207	55	40.1	34.3
Farming and horticultural products	3,589	3,298	3,380	2,629	-5.8	-20.3
Food products	1,388	842	1,715	981	23.6	16.4
<b>Total agricultural exports</b>	<b>5,326</b>	<b>4,288</b>	<b>5,531</b>	<b>3,718</b>	<b>3.8</b>	<b>-13.3</b>
<b>Share of agricultural exports in total non-oil exports (percent)</b>	<b>20.1</b>	<b>7.1</b>	<b>16.4</b>	<b>5.6</b>	<b>-3.7<sup>2</sup></b>	<b>-1.5<sup>2</sup></b>

Source: Ministry of Jihad-e-Agriculture

<sup>1</sup> Includes exports of pharmaceuticals related to the agriculture sector.

<sup>2</sup> Changes are in percentage points.

**Table 2.15. Imports of Agricultural Products** (million dollars-thousand tons)

	1389		1390		Percentage change	
	Value	Weight	Value	Weight	Value	Weight
Livestock and poultry <sup>1</sup>	1,136	268	1,109	237	-2.4	-11.8
Fish and fishery products	76	75	61	56	-19.1	-25.3
Farming and horticultural products	5,097	11,027	5,573	9,806	9.3	-11.1
Food products	2,964	3,561	3,228	2,850	8.9	-20.0
<b>Total agricultural imports</b>	<b>9,273</b>	<b>14,933</b>	<b>9,971</b>	<b>12,949</b>	<b>7.5</b>	<b>-13.3</b>
<b>Share of agricultural imports in total imports (percent)</b>	<b>14.4</b>	<b>32.9</b>	<b>16.1</b>	<b>33.7</b>	<b>1.7<sup>2</sup></b>	<b>0.8<sup>2</sup></b>

Source: Ministry of Jihad-e-Agriculture

<sup>1</sup> Includes imports of pharmaceuticals related to the agriculture sector.

<sup>2</sup> Changes are in percentage points.