

Based on the data released by the Ministry of Jihad-e-Agriculture, major agricultural products including farming, horticultural, livestock, and fishery products were estimated at about 110.5 million tons in 1394, showing 6.1 percent increase compared with the previous year. Based on preliminary data, the value-added figure of the agriculture sector increased by 4.6 percent in 1394 (at constant 1390 prices).

Table 2.1. Agricultural Products (thousand tons)

	Growth rate		Share in total (percent)	
	1393	1394	(percent)	1393 1394
Farming products	74,072	77,039	4.0	71.1 69.7
Horticultural products ¹	16,520	19,378	17.3	15.9 17.5
Livestock products	12,621	13,077	3.6	12.1 11.8
Fishery products	947	984	3.9	0.9 0.9
Total	104,161	110,478	6.1	100.0 100.0

Source: Ministry of Jihad-e-Agriculture.

¹Based on the new classification, greenhouse products are included under "horticultural products" heading in 1394.

According to the Ministry of Energy, in 1393/94 farming year¹, total precipitation amounted to 324.7 billion cubic meters (197.0 millimeters on average by area under cultivation), showing 9.2 percent decline compared with the previous farming year

¹Second half of 1393 and first half of 1394.

and 18.9 percent decrease compared with the long-term average (46 years). Furthermore, the volume of surface water flows was estimated at 41.1 billion cubic meters, indicating 3.7 percent fall compared with the previous farming year and 52.9 percent reduction compared with the long-term average.

Table 2.2. Cumulative Precipitation (millimeters)

Water basins	Farming year		Percentage change compared with	
	1392/93	1393/94	1392/93 farming year	Long-term average (46 years)
Caspian Sea	366	457	24.9	8.3
Persian Gulf	328	230	-29.9	-35.6
Lake Urmia	280	319	13.9	-5.1
Central basin	141	133	-5.7	-16.9
Eastern border	100	85	-15.0	-17.5
Ghare-Ghum	179	195	8.9	-8.9
Iran	217	197	-9.2	-18.9

Source: Iran Water Resources Management Company.

Farming² and Horticultural Products

Based on the data released by the Ministry of Jihad-e-Agriculture, in 1394, about 96.4 million tons of farming and horticultural

² 1393/94 farming year, beginning as of Mehr 1393 and continuing until Shahrivar 1394, is briefly referred to as 1394 in tables and figures.

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products were harvested, showing 6.4 percent increase compared with the previous year. Of total farming and horticultural products, 77.0 million tons (79.9 percent) were farming products, showing 4.0 percent increase compared with the year before. Moreover, horticultural products amounted to 19.4 million tons, indicating 17.3 percent growth.

Grain production (wheat, barley, rice husks, and corn) increased by 4.0 percent to 18.2 million tons. In 1394, production of wheat and barley rose by respectively 8.9 and 8.3 percent while that of corn fell by 29.6 percent compared with the year before.

In 1394, total production of agro-industrial crops¹ rose by 13.4 percent to 13.5 million tons. Moreover, production of sugar cane and sugar beet, with 55.0 and 41.6 percent

share among agro-industrial crops, amounted to 7.4 million tons and 5.6 million tons, respectively. Production of tobacco experienced the highest rise among agro-industrial crops by 23.9 percent.

Figure 2.1. Production of major farming products

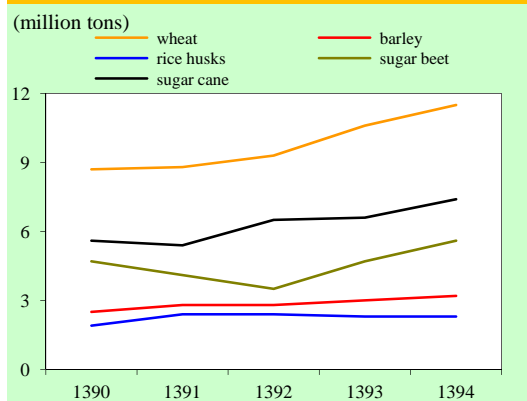


Table 2.3. Production and Area under Cultivation of Major Farming and Horticultural Products¹

(thousand hectares-thousand tons)

	1393		1394		Percentage change	
	Area	Production	Area	Production	Area	Production
Farming products						
Wheat	6,061	10,579	5,716	11,522	-5.7	8.9
Barley	1,713	2,955	1,763	3,202	2.9	8.3
Rice husks	539	2,347	530	2,348	-1.7	*
Corn	234	1,659	166	1,169	-28.9	-29.6
Cotton	85	184	72	175	-15.3	-4.6
Sugar cane	89	6,589	87	7,407	-2.2	12.4
Sugar beet	97	4,731	105	5,594	8.2	18.2
Oilseeds	217	344	158	260	-27.2	-24.5
Tobacco	11	19	10	24	-6.6	23.9
Pulses	822	615	712	519	-13.4	-15.7
Potatoes	159	4,989	160	5,141	0.7	3.0
Onions	55	2,066	64	2,426	15.6	17.5
Horticultural products						
Citrus fruits	241	3,800	247	4,345	2.3	14.3
Grapes	278	3,050	277	3,167	-0.3	3.9
Apples	203	3,398	209	3,482	2.9	2.5
Pistachio	317	240	335	261	5.9	9.0
Tea leaves	28	72	28	88	0.0	22.2

Source: Ministry of Jihad-e-Agriculture.

¹ Figures related to the area under cultivation of horticultural products are related to fertile lands.

¹ Includes cotton, sugar cane, sugar beet, oilseeds, and tobacco.

Table 2.4. Yield of Major Farming and Horticultural Products per Unit Area of Land Cultivation¹ (kilogram/hectare)

	1393	1394	Percentage change
Farming products			
Wheat	1,745	2,016	15.5
Barley	1,725	1,816	5.3
Rice husks	4,354	4,430	1.7
Corn	7,101	7,033	-1.0
Cotton	2,170	2,443	12.6
Sugar cane	73,962	84,982	14.9
Sugar beet	48,722	53,260	9.3
Oilseeds	1,585	1,643	3.7
Tobacco	1,781	2,363	32.7
Pulses	749	728	-2.7
Potatoes	31,360	32,085	2.3
Onions	37,499	38,095	1.6
Horticultural products			
Citrus fruits	15,752	17,597	11.7
Grapes	10,978	11,434	4.2
Apples	16,769	16,698	-0.4
Pistachio	757	779	2.9
Tea leaves	2,619	3,200	22.2

Source: Ministry of Jihad-e-Agriculture.

¹ Ratio of production to the fertile lands under cultivation.

Livestock and Fishery Products

According to the Ministry of Jihad-e-Agriculture, total livestock products (red meat, milk, poultry, eggs, and honey) amounted to 13.1 million tons in 1394, showing a rise of 3.6 percent compared with the previous year.

Table 2.5. Livestock Products (thousand tons)

	1393	1394	Percentage change
Red meat	785	806	2.7
Milk	8,800	9,140	3.9
Poultry	2,033	2,123	4.4
Eggs	925	931	0.6
Honey	78	77	-0.5
Total	12,621	13,077	3.6

Source: Ministry of Jihad-e-Agriculture.

Fishery products totaled 984 thousand tons, showing 3.9 percent growth compared with the previous year. It is to be noted that 55.9 percent of fishery products were related to the Persian Gulf, 3.3 percent to the Caspian Sea, and 40.8 percent to the aquaculture centers. The volume and value of fishery exports were 82 thousand tons and \$349 million, up by respectively 14.7 and 16.3 percent compared with the year before.

Table 2.6. Fishery Products and Exports

	1393	1394	Percentage change
Production (thousand tons)	947	984	3.9
Persian Gulf	536	550	2.6
Caspian Sea	40	33	-17.7
Aquaculture centers	372	402	8.0
Exports			
Value (million dollars)	300	349	16.3
Volume (thousand tons)	72	82	14.7

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

Guaranteed Purchase of Major Agricultural Products

Setting the guaranteed purchase price of agricultural products, aimed at encouraging farmers to produce basic agricultural goods, establishing a balanced production system, and maintaining farmers' income level, has been a government policy over the recent years. In 1393/94 farming year, the guaranteed purchase price of all farming products increased. The highest increases in the guaranteed purchase price of agricultural products were related to "sugar beet" and "high-quality tea leaves" by respectively 28.6 and 21.1 percent, to reach Rls. 2,700 and Rls. 21,800 per kilogram.

Table 2.7. Guaranteed Purchase Price of Major Agricultural Products (rial/kilogram)

	1392	1393	1394	Percentage change
Wheat	8,000	10,500	11,550	10.0
Barley	4,500	7,800	9,200	17.9
Khazar rice	21,000	27,000	32,000	18.5
Sugar beet	1,350	2,100	2,700	28.6

Source: Cabinet approvals.

Subsidies

In 1394, subsidy paid on goods and services (subject of Budgetary Measure No. 520000) reached Rls. 127.0 trillion. Of this amount, a sum of Rls. 62.7 trillion was paid on agricultural goods, services, and activities, constituting 49.3 percent of total subsidy payment out of the mentioned Budgetary Measure.

Government Investment

Based on the data released by the Ministry of Economic Affairs and Finance, in 1394, government credits for the acquisition of non-financial-national assets for the development of "agriculture and natural resources" and "water resources" amounted to Rls. 11.7 trillion, showing a decrease of 44.3 percent compared with the previous year. Therefore, 32.5 percent of total approved credits (Rls. 36.1 trillion) were realized. Credits for the acquisition of non-financial-national assets projects paid to "agriculture and natural resources" sector fell by 44.3 percent to Rls. 3.2 trillion. National expenditures for the acquisition of non-financial assets projects for the development of "water resources" amounted to Rls. 8.5 trillion, down by 44.3 percent compared with the year before.

Table 2.8. Subsidy Payments under Budgetary Measure No. 520000 in 1394 (billion rials)

	Value	Share in total (percent)
Subsidy paid on agricultural inputs and factors of production	7,478	5.9
Subsidy paid on basic goods ¹	436	0.3
Payments for loss compensation and subsidy related to guaranteed purchase of agricultural products	1	*
Assistance for the compensation of Iran Water Resources Management Company (Holding)	510	0.4
Bread subsidy	54,226	42.7
Total subsidy payment to the agriculture sector	62,651	49.3
Subsidy payment to other sectors	64,331.5	50.7
Total subsidy paid under Budgetary Measure No. 520000	126,982.5	100.0

Source: Ministry of Economic Affairs and Finance. ¹Includes subsidy paid on basic goods, expenses on market supervision and regulation of agricultural, livestock, fishery, and other products; expenses on supervision of goods and services; subsidy on principal and profit, and penalty on overdue loans and facilities, and differential of profit and commission; other subsidies including exports; other debts and commitments of executive organizations; and procurement of basic goods and services.

Table 2.9. Credits for Acquisition of Non-financial-National Assets for Development of "Agriculture and Natural Resources" and "Water Resources" (billion rials)

	Share (percent)			1394	
	1393	1394	Percentage change	1393	1394
Agriculture and natural resources	5,792.8	3,225.2	-44.3	27.5	27.5
Water resources	15,291.3	8,509.7	-44.3	72.5	72.5
Total	21,084.1	11,734.8	-44.3	100.0	100.0

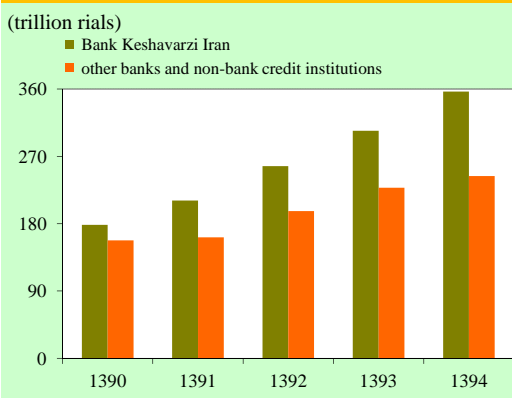
Source: Ministry of Economic Affairs and Finance, and Budget Laws for 1393 and 1394.

Banking Facilities

Outstanding facilities extended by banks and non-bank credit institutions to public and non-public agriculture sectors grew by 12.9 percent to Rls. 606.2 trillion by end-1394. The share of non-public agriculture sector in outstanding facilities was 99.0 percent.

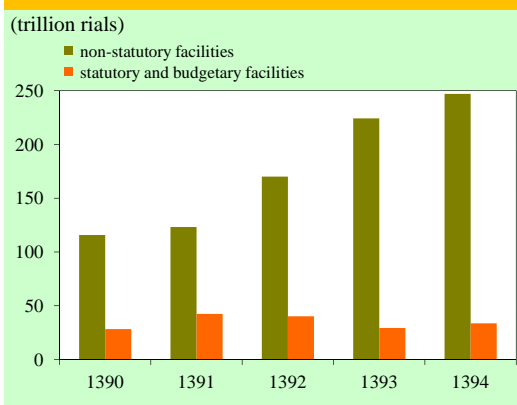
By end-1394, outstanding facilities extended by Bank Keshavarzi Iran (Agriculture Bank of Iran) to non-public agriculture sector rose by 17.3 percent to Rls. 356.6 trillion. The share of Bank Keshavarzi Iran in total outstanding facilities extended to public and non-public agriculture sectors was 58.9 percent, showing 2.2 percentage points growth compared with 1393.

Figure 2.2. Outstanding facilities extended by banks to non-public agriculture sector



In 1394, Bank Keshavarzi Iran paid Rls. 280.8 trillion through non-statutory and statutory facilities, administered funds, and contracts, up by 10.7 percent compared with the year before. Of total credits paid by this bank, 88.0 percent (Rls. 247.1 trillion) were from non-statutory resources, and 12.0 percent were in the form of statutory facilities, administered funds, and contracts.

Figure 2.3. Facilities extended by Bank Keshavarzi Iran



Composition of facilities extended by Bank Keshavarzi Iran according to Islamic contracts indicates the high share of civil partnership contracts. In 1394, a sum of Rls. 179.7 trillion was paid in the form of civil partnership contracts, constituting 64.0

Table 2.10. Outstanding Facilities Extended by Banks and Non-bank Credit Institutions to Public and Non-public Agriculture Sectors¹

	Year-end		Percentage change	Share (percent)	
	1393	1394		1393	1394
Non-public sector	532.1	600.3	12.8	99.1	99.0
Bank Keshavarzi Iran	304.1	356.6	17.3	56.6	58.8
Other banks and non-bank credit institutions	228.1	243.6	6.8	42.5	40.2
Public sector	4.9	5.9	21.3	0.9	1.0
Total	537.0	606.2	12.9	100.0	100.0

¹ Excludes profit and revenue receivables.

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percent of facilities and showing 32.0 percent rise compared with last year. Composition of facilities extended by this bank by use shows that "farming and horticulture" activity, enjoying the highest share in total facilities by 31.7 percent, increased by 7.0 percent to Rls. 88.9 trillion.

Agricultural Insurance Fund

In 1393/94 farming year, about Rls. 11.8 trillion was paid by Agricultural Insurance Fund as compensation, showing an increase of 33.5 percent compared with the previous farming year.

Since this Fund is a loss-making institution, a large proportion of its commitments on compensations are financed through government subsidies. The share of government subsidies in total paid compensation was about 73.4 percent in 1393/94 farming year while only 26.6 percent was financed out of farmers' premium payments. Due to the government failure in timely fulfillment of its commitments, Bank Keshavarzi Iran

has continually been the body in charge of financing the deficit of the Agricultural Insurance Fund over the past years.

According to the report released by the Agricultural Insurance Fund, in 1393/94 farming year, this Fund insured 4.1 million hectares of lands under cultivation of 60 farming and horticultural products against losses from natural disasters. The area of insured land shows 7.3 percent decrease compared with the previous year. A sum of Rls. 10.2 trillion was paid by the Fund as compensation, indicating 52.1 percent rise compared with the year before.

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 reached 4,986 by end-1394. These cooperatives covered 5.5 million rural dwellers. This indicated 2.5 percent decrease in terms of the number of cooperatives and 0.5 percent rise in terms of members.

Table 2.11. Facilities Extended by Bank Keshavarzi Iran by Term of Repayment

			Percentage change	Share (percent)	
	1393	1394		1393	1394
Short-term	173.2	219.9	27.0	68.3	78.3
Medium-term	65.7	53.0	-19.4	25.9	18.9
Long-term	14.8	7.9	-46.7	5.8	2.8
Total	253.7	280.8	10.7	100.0	100.0

Source: Bank Keshavarzi Iran.

Table 2.12. Performance of Agricultural Insurance Fund

	Area of insured land			Compensation paid (billion rials)		
	1393	1394	Percentage change	1393	1394	Percentage change
Farming (thousand hectares)	3,889	3,533	-9.2	2,325	4,348	87.1
Horticulture (thousand hectares)	551	585	6.2	4,388	5,864	33.6
Livestock (thousand)	8,969	9,542	6.4	746	872	16.9
Poultry (million)	976	832	-14.7	1,376	751	-45.5
Aquaculture centers (thousand square meters)	44,958	64,103	42.6	22	11	-51.5
Natural resources (thousand hectares)	3,105	2,837	-8.6	15	1	-92.4
Total	-	-	-	8,871	11,847	33.5

Source: Agricultural Insurance Fund.

By end-1394, the number of cooperative unions increased by 1.7 percent to 416 and member companies in small cities rose by 9.9 percent to reach 4,135.

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

	Year-end		Percentage change
	1393	1394	
Rural, women, and agricultural cooperatives			
Number	5,113	4,986	-2.5
Members (thousand persons)	5,465	5,493	0.5
Capital (billion rials)	3,675	4,466	21.6
Cooperative unions			
Number	409	416	1.7
Member companies	3,764	4,135	9.9
Capital (billion rials)	924	1,000	8.2

Source: Central Organization for Rural Cooperatives.

Rural cooperatives purchased about 3.2 million tons of various agricultural products at agreed prices in 1394, up by 19.2 percent compared with the year before. In 1394,

cooperatives purchased 81.4 thousand tons of various agricultural products at guaranteed prices.

Exports of Agricultural Products

Based on the data released by the Ministry of Jihad-e-Agriculture, 5.1 million tons of various agricultural products worth \$6.0 billion were exported in 1394, indicating 8.3 and 10.7 percent decrease in terms of volume (weight) and value compared with the previous year. Exports of agricultural products accounted for 6.5 percent of volume and 16.9 percent of value of total exports through Customs. In 1394, "farming products" accounted for 55.4 percent of total agricultural exports in terms of volume while "horticultural products", despite a lower share of 18.1 percent in the volume of agricultural exports, accounted for 37.3 percent of total value of agricultural exports.

Table 2.14. Insured Farming and Horticultural Lands and Amount of Compensation

	Area of insured land (thousand hectares)				Compensation paid (billion rials)			
	1393	1394	Percentage change	Share (percent)	1393	1394	Percentage change	Share (percent)
Wheat	2,907	2,658	-8.6	64.6	1,660	3,190	92.2	31.2
Rice	146	129	-11.1	3.1	118	505	326.4	4.9
Barley	468	420	-10.3	10.2	238	393	64.9	3.8
Sugar beet	42	39	-7.6	1.0	26	13	-49.7	0.1
Colza	42	24	-42.2	0.6	31	26	-14.6	0.3
Pistachio	109	114	4.2	2.8	641	1,005	56.7	9.8
Others	725	733	1.2	17.8	3,998	5,080	27.1	49.7
Total	4,440	4,118	-7.3	100.0	6,713	10,213	52.1	100.0

Source: Agricultural Insurance Fund.

Table 2.15. Exports of Agricultural Products

(million dollars-thousand tons)

	1393		1394		Percentage change	
	Value	Volume	Value	Volume	Value	Volume
Livestock and poultry ¹	620	215	611	234	-1.4	9.2
Fish and fishery products	202	59	230	77	13.6	29.2
Farming products ²	1,229	3,044	1,093	2,809	-11.1	-7.7
Horticultural products	2,788	1,086	2,243	917	-19.6	-15.6
Food products	1,901	1,123	1,840	1,032	-3.2	-8.1
Total agricultural exports	6,740	5,528	6,017	5,069	-10.7	-8.3
Share of agricultural exports in total non-oil exports (percent)	18.4	6.8	16.9	6.5	-1.5³	-0.2³

Source: Ministry of Jihad-e-Agriculture.

² Includes forest and grassland products.

¹ Includes exports of pharmaceuticals related to the veterinary medicine.

³ Changes are in percentage points.

Imports of Agricultural Products

According to the Ministry of Jihad-e-Agriculture, approximately 18.8 million tons of various agricultural products valued at \$9.3 billion were imported in 1394, indicating 17.3 and 24.5 percent fall in terms of volume and value, respectively. Imports of agricultural products accounted for 22.4 percent of value and 53.3 percent of volume of total imported products. The average value of each ton of imported agricultural products was \$495, down by 8.7 percent compared with the previous year.

Imports of wheat amounted to 3.3 million tons in 1394, representing 54.2 percent decrease compared with the year before.

A review of the developments of foreign trade shows that the trade deficit of the agriculture sector decreased by 41.1 percent to \$3.3 billion in 1394.

Table 2.17. Trade Balance¹ of Agricultural Products (million dollars)

	1393	1394	Percentage change
Imports	12,291	9,285	-24.5
Exports	6,740	6,017	-10.7
Trade deficit	5,551	3,268	-41.1

¹ Based on the classification and data of the Ministry of Jihad-e-Agriculture.

The average per ton value of exported agricultural products decreased by 2.7 percent to \$1,187 in 1394. Considering the composition of agricultural imports and exports, terms of trade of the agriculture sector increased by 6.6 percent from 2.2 in 1393 to 2.4 in 1394.

Table 2.18. Terms of Trade for Agriculture Sector (dollar/ton)

	1393	1394	Percentage change
Per ton value of exports	1,219	1,187	-2.7
Per ton value of imports	542	495	-8.7
Terms of trade	2.2	2.4	6.6

Table 2.16. Imports of Agricultural Products (million dollars-thousand tons)

	1393		1394		Percentage change	
	Value	Volume	Value	Volume	Value	Volume
Livestock and poultry ¹	547	108	527	117	-3.7	9.0
Fish and fishery products	167	62	147	58	-11.9	-6.9
Farming products ²	8,472	19,586	5,911	15,936	-30.2	-18.6
Horticultural products	710	559	824	776	16.1	38.9
Food products	2,396	2,354	1,876	1,863	-21.7	-20.8
Total agricultural imports	12,291	22,669	9,285	18,751	-24.5	-17.3
Share of agricultural imports in total imports (percent)	22.9	52.7	22.4	53.3	-0.6³	0.6³

Source: Ministry of Jihad-e-Agriculture.

¹ Includes imports of pharmaceuticals related to the veterinary medicine.

² Includes forest and grassland products.

³ Changes are in percentage points.