

CHAPTER THREE

AGRICULTURE

Performance of the agriculture sector was well below expectations in 1379 mainly due to the continuation of drought conditions. Both in terms of total land area under cultivation and the yield per hectare, almost all farming crops showed a decline due to the weather conditions. During this agricultural year grain yields lessened by 9.8 percent as compared to last year, while livestock products increased by 2 percent.

In the year under review, government support policies for the agriculture sector continued. This support took various forms and included the distribution of agricultural inputs at subsidized prices, guaranteed prices for purchase of major agricultural crops and the provision of banking facilities at preferential rates. Distribution of various pesticides increased by 4.6 percent to 27.1 thousand tons, whilst 3,026 thousand tons of chemical fertilizers, and 199.3 thousand tons of improved seed were also distributed among farmers, that represented a 27.9 percent growth and a 9.5 percent reduction, respectively, in comparison to the previous year.

The guaranteed purchase price for agricultural products increased by 22 to 40 percent in 1379. The guaranteed purchase price for wheat increased 30.2 percent and was set at Rls. 875 per kilo.

The government continued its policy of direct importation of foodstuffs in 1379 as previous years. This importation is carried out both in order to meet shortfalls in the country's foodstuff requirements, and to regulate imbalances in the domestic foodstuff market and controlling prices. On the basis of the Customs Office figures, imports (weight) of wheat and sugar decreased by 8.8 and 30.7 percent respectively. The decision to reduce wheat importation was primarily the result of optimistic projections of domestic wheat production for 1379 and the substantial increase in wheat stock held at the end of the previous year. In the case of sugar importation, the reduction has been made in order to support domestic production. Continuation of drought in various parts of the country forced premature slaughter of livestock herds and thereby increased the supply of domestic red meat. This in turn reduced imports of red meat by 37 thousand tons.

The subsidy paid on major agricultural crops increased by 12.6 percent over the previous year and amounted to Rls. 7,617.7 billion. This subsidy was equivalent to 1.39 percent of GDP which had a 0.22 percentage point reduction over the previous year. The subsidy payment for all agricultural products increased except for pesticides and seed subsidies, red meat, and tea. The proportional share of the subsidy paid out for major agricultural products as a percentage of the total subsidy payment, declined from 98.3 percent in 1378 to 96.2 percent in 1379.

The amount of banking facilities provided to non-public agricultural sector increased by 31.1 percent over the previous year to reach Rls. 29,653.5 billion ⁽¹⁾. Part of this increase was due to rescheduling of farmers' loan repayments owing to the continuation of drought.

(1) Excludes profit and revenues receivable.

In 1379, as the first year of the 3rd FYDP, extensive changes were made in policy making and reforming of the administrative structure of agriculture sector. As a major step in this direction, the two ministries of Agriculture and Jihad Sazandegi were merged into one to form the Ministry of Agriculture Jihad. Moreover, following the establishment of the Oil Stabilization Fund (OSF) through which foreign exchange facilities were provided to the productive sectors of the economy, including the agriculture sector, the government provided the necessary stimulus for new investment in the agriculture sector, modernization of agriculture's traditional structure and a more active role for the private sector in productive activities of this sector.

Water Resources

On the basis of data provided by the Ministry of Energy, the average rainfall in the agricultural year 1378/79 was a scant amount of 148.3 millimeters, a 24.1 percent reduction over the previous year's 195.5 millimeters. This was the lowest amount of rainfall recorded over the past two decades.

The water supply program continued in 1379 by the building of irrigation networks and constructing repository dams.

As one of its objectives for 1379, the Ministry of Energy had planned to set up irrigation and drainage networks to provide water for a further 76 thousand hectares during the course of this year. In the event, the Ministry fell short of this target by approximately 10 percent and only set up major irrigation and drainage networks over 49 thousand hectares and a further 20 thousand hectares with secondary networks. This, however, was a 40.8 percent improvement over the Ministry's performance in the preceding year. The Ministry further managed to repair and refurbish a number of existing irrigation networks covering some 107 thousand hectares which although represented a 7.9 percent increase in comparison to the previous year, still fell 22.3 percent short of the target set for the review year. In sum, the Ministry of Energy managed to provide 298 million cubic meters of water which represents achievement of 98.3 percent of the water supply target set out in the Ministry's program for 1379.

The repository dam, underground water supply, and other small local water provision projects also continued in this year. The total dam-regulated water capacity amounted to 26,805 million cubic meters at the end of 1379. This represents a 1.1 percent increase in overall dam-regulated water capacity and realized almost nearly 100 percent of the target set out in the Ministry's program for the year in review. Other regional water provision projects were planned to provide a target figure of 2,188 million cubic meters of water through pumping of underground water from wells and the building of minor local use dams. 96.4 percent of this target figure was also successfully achieved. It was proposed that through full utilization of existing water capacity, 130 million cubic meters of water be added to the total volume of water in the system. This goal was not realized and the total volume of water in the system remained as in the previous year i.e. 1,917 million cubic meters. The total volume of water provided from underground sources was 48,982.6 million cubic meters, registering a 1.4 increase over the targeted figure and a 2.7 percent increase over the previous year's figure.

Production

Farming Crops

Production of wheat, barley and rice declined in agricultural year 1378/79 by 9.8 percent and amounted to 11,745 thousand tons, which was 6,943 thousand tons and 37.2 percent less than the 3rd FYDP forecasts. The area under rice cultivation decreased by 9 percent to 534 thousand hectares due partially to the continuing drought in some regions and the marked reduction in the average amount of rainfall in general. Production of rice fell by 377 thousand tons (16.1 percent) and amounted to 1,971 thousand tons. This was 863 thousand tons

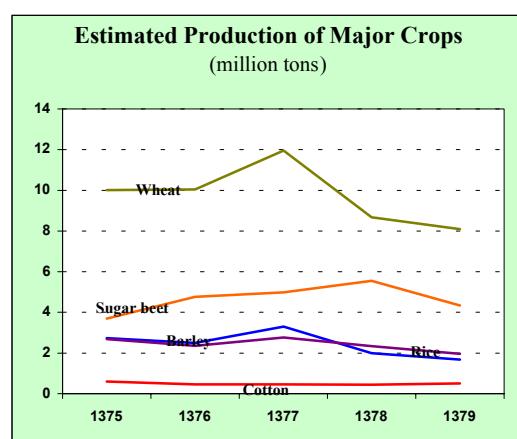
(30 percent) short of the forecasted figure in the 3rd FYDP. Another factor for this reduction in rice production this year was the 29.9 percent fall in producer price index for rice as compared to the previous year.

Production of most industrial crops (such as sugar beet, cotton, sugar cane, oil seeds, and tobacco) declined by an aggregate figure of 1,054 thousand tons or 12.4 percent over 1378 to total 7,464 thousand tons. The area under cultivation of these crops was 663 thousand hectares, which was 25 thousand hectares less than the previous year. The major exception to this trend was cotton and sugar cane production which increased by 12.7 and 5.9 percent respectively. This was due to an increase in area under cotton cultivation of 13.9 percent and a rise in the yield per hectare figure of sugar cane by 5.9 percent.

YIELD OF MAJOR FARMING CROPS
(kilogram-hectare)

	1378	1379	Percentage change
Wheat	1,830	1,586	-13.4
Barley	1,425	1,412	-0.9
Rice	4,000	3,691	-7.7
Cotton	2,042	2,020	-1.0
Sugar beet	29,828	26,577	-10.9
Sugar cane	86,000	91,038	5.9
Tea (green)	8,088	7,194	-11.1
Oil seeds	1,143	1,188	3.9
Tobacco	957	1,050	9.8
Pulses	504	553	9.8
Potatoes	21,323	21,645	1.5
Onions	29,946	30,545	2.0
Pistachio	512	1,105	116.0

Source: Ministry of Agriculture Jihad



ESTIMATED PRODUCTION AND AREA UNDER CULTIVATION OF MAJOR FARMING CROPS
(thousand hectares-thousand tons)

	1378		1379		Percentage change	
	Area	Production	Area	Production	Area	Production
Wheat	4,739	8,673	5,101	8,088	7.6	-6.7
Barley	1,403	1,999	1,194	1,686	-14.9	-15.7
Rice	587	2,348	534	1,971	-9.0	-16.1
Cotton	216	441	246	497	13.9	12.7
Sugar beet	186	5,548	163	4,332	-12.4	-21.9
Sugar cane	26	2,236	26	2,367	0	5.9
Tea (green)	34	275	31	223	-8.8	-18.9
Oil seeds	237	271	208	247	-12.2	-8.9
Tobacco	23	22	20	21	-13.0	-4.5
Pulses	935	471	1,016	562	8.7	19.3
Potatoes	161	3,433	169	3,658	5.0	6.6
Onions	56	1,677	44	1,344	-21.4	-19.9
Pistachio	256	131	275	304	7.4	132.1

Source: Ministry of Agriculture Jihad

Production of many agricultural crops declined in this year. The exceptions to this general trend were pistachio, pulses, cotton, potato, and sugar cane crops. Production of pistachio grew by a massive 132.1 percent in 1379 to give a total yield figure of 304 thousand tons. This was a marked achievement when viewed in the light of the previous agricultural year's noticeable decline in production which was brought about by an unusual seasonal cold spell. The pistachio yield this year was 21.6 percent above the forecasted figure in the 3rd FYDP.

Livestock Products

On the basis of data released by the Ministry of Agriculture Jihad, livestock products, i.e red meat, poultry, milk and eggs increased slightly by 2 percent and amounted to 7,735 thousand tons.

LIVESTOCK PRODUCTS

	(thousand tons)		
	1378▲	1379	Percentage change
Red meat	721	729	1.1
Milk	5,564	5,623	1.1
Poultry	725	803	10.8
Egg	570	580	1.8

Source: Ministry of Agriculture Jihad

Fisheries Products

Fisheries products harvested in 1379 grew by 3 percent as compared to the previous year and amounted to 424.5 thousand tons. A total of 12.7 thousand tons of fisheries products valued at \$70.1 million were exported, which registered a 38 and a 27.9 percent increase respectively in weight and value over the previous year. The rise in the export value was due mainly to increased exports of shrimp and caviar.

FISHERIES PRODUCTS

	(ton, million dollars)				
	1377	1378	1379	Percentage change	
				1378	1379
Production	400,000	412,000	424,500	3.0	3.0
Caspian sea	101,500	110,000	98,000	8.4	-10.9
Persian Gulf	226,500	234,200	260,500	3.4	11.2
Inland water	72,000	67,800	66,000	-5.8	-2.7
Export					
Value	52.3	54.8	70.1	4.8	27.9
Amount	6,855	9,192	12,681	34.1	38.0

Source: Fisheries Corporation

Import and Stock of Major Foodstuffs

Government support policies in the area of foodstuff procurement, as outlined above, continued. On the basis of data provided by State Grain Organization, imports of wheat and sugar declined by 10.1 and 3.5 percent, respectively. Reduction in wheat imports was due to initial projections of wheat production of an increase of 6.7 percent over the previous year, and the increase of wheat stock of 648 thousand tons. The government imported 849 thousand tons of sugar which was 3.5 percent less than that of the previous year, in order to stimulate domestic producers into increasing sugar cane and sugar beet production. The quantity of imported red meat was 11 thousand tons, a decrease of 45 percent over the last year. Part of this reduction was compensated through the increase in the supply of domestic red meat. The increase in the supply of domestic red meat resulted from the forced premature slaughter of livestock herds due to the continuing drought conditions that prevailed in various parts of the country.

IMPORT AND STOCK OF MAJOR FOODSTUFFS

	(thousand tons)					
	Import		Percentage change	Stock at the end of		Percentage change
	1378▲	1379		1378	1379	
Wheat	6,746	6,068	-10.1	1,032	1,680	62.8
Sugar (1)	880	849	-3.5	572	510	-10.8
Red meat	20	11	-45.0	6	17	183.3

Source: State Grain Organization, Organization for Expansion of Commercial Services, and Livestock Support Corporation

(1) Excludes sugar imported by the private sector.

Guaranteed Purchase of Major Agricultural Products

The support policy for the guaranteed purchase of major agricultural crops continued this year with an average increase of 31 percent. The greatest recorded increase was the 40 percent in the price paid for Amol Grade 2 and 3 rice. This was done in an effort to encourage farmers to plant these higher yielding varieties of rice.

The guaranteed purchasing price of wheat increased by 30.2 percent over the previous year and reached Rls. 875 per Kilo. As a result, the amount of wheat purchased from farmers grew by 12.8 percent and amounted to 4.4 million tons.

	GUARANTEED PURCHASING PRICE OF AGRICULTURAL CROPS		(Rial per kilogram)
	1378	1379	Percentage change
Wheat	672	875	30.2
Barley	535	694	29.7
Rice (Khazar and Mazand variety)	1,949	2,695	38.3
Rice (Sefidrood, Tarom and Asgari variety)	1,742	2,350	34.9
Rice (high yielding variety)	1,323	1,856	40.3
Corn	598	775	29.6
Sugar beets	175	225	28.6
Sunflower	1,490	1,818	22.0
Soya	1,300	1,586	22.0
Tea (green)	1,064	1,360	27.8
Lentil	1,469	1,905	29.7
Kidney bean	1,330	1,723	29.5
Navy bean	1,441	1,868	29.6
Pinto bean	1,441	1,868	29.6
Potatoes	293	380	29.7
Onions	252	327	29.8

Source: Ministry of Agriculture Jihad

Subsidies

On the basis of data released by the Ministry of Economic Affairs and Finance, overall government subsidy payments increased by 15.1 percent and reached Rls. 7,920.1 billion or 1.44 percent of GDP. This was 1.64 percent less than the previous year. The major portion of the subsidy was paid for major agricultural products. While this figure increased by 12.6 percent and amounted to Rls. 7,617.7 billion, its proportionate share in the total subsidy showed a slight reduction to become 96.2 percent as against 98.3 percent in the previous year. The relative share of subsidy paid on all agricultural crops remained almost the same as the previous year, except for tea, on which no subsidy was paid. The wheat subsidy held the largest share in overall subsidy payments and rose by 12.2 percent to reach Rls. 5,835 billion.

The chemical fertilizer supplied to farmers was increased, thereby raising subsidy costs paid for this production input by 15.4 percent to a total of Rls. 543.1 billion. According to the data released by the Ministry of Agriculture Jihad, 3,026.3 thousand tons of chemical fertilizer was distributed to farmers, registering a 27.9 percent rise over the previous year. Moreover, about 1,865.1 thousand tons of fertilizers was produced domestically, in the year under review.

The subsidy paid on pesticides and seed decreased by Rls. 0.9 billion and amounted to Rls. 58 billion. On the basis of data released by the Ministry of Agriculture Jihad, overall use of insecticides increased by 4.6 percent and reached 27.1 thousand tons over the previous year. Seed distribution fell by 9.5 percent and totaled 199.3 thousand tons. The largest share of seed distributed was for wheat production which amounted to 177 thousand tons, followed by barley (11 thousand tons), and corn (6 thousand tons).

SUBSIDY PAID ON MAJOR AGRICULTURAL PRODUCTS AND FOODSTUFFS

(billion rials)

	1378	1379	Percentage change	Share (percent)	
				1378	1379
Wheat	5,200.0	5,835.0	12.2	75.6	73.7
Chemical fertilizer	470.7	543.1	15.4	6.8	6.9
Rice, vegetable oil, sugar & cube sugar	118.5	160.0	35.0	1.7	2.0
Milk and its products	480.6	623.0	29.6	7.0	7.9
Meat	335.0	323.6	-3.4	4.9	4.1
Tea (green)	38.0	0	-100.0	0.5	0
Pesticides and seeds	58.9	58.0	-1.5	0.9	0.7
Insurance of agricultural crops	62.0	75.0	21.0	0.9	0.9
Total	6,763.7	7,617.7	12.6	98.3	96.2
Total subsidy paid	6,881.3	7,920.1	15.1	100.0	100.0

Source: Ministry of Economic Affairs and Finance

Government Investment

Government development expenditures for expansion of ‘agriculture and water resources’ increased by 54.5 percent over the previous year and amounted to Rls. 5,462.5 billion. Considering the reduction of the development expenditures, the share of development expenditures for expansion of ‘agriculture and water resources’ out of total development expenditures rose to 23.2 percent, showing 9 percentage point increase compared with respective figure of the previous year. Government development expenditures for ‘water resources’ increased by 55.3 percent and totaled Rls. 3,653 billion. The ‘water provision’ program had the highest share of this figure, accounting for 38.3 percent of the national credits allocated to development of ‘agriculture and water resources’. ‘Water supply to cities and industries’ and ‘irrigation networks and drainage’ programs held 25.2 and 25 percent share respectively in national credits.

Government development expenditures for the increase of ‘agriculture and natural resources’ also rose by 52.8 percent and amounted to Rls. 1,809.5 billion. ‘Water and soil’ and ‘forests and pastures’ programs with 21.3 and 17.5 percent share respectively, held the highest shares of national credits allocated to the expansion of ‘agriculture and natural resources’. National credits provided for the ‘research on agriculture and natural resources’ program substantially increased to a total of Rls. 353.7 billion representing a 31.6 percent rise over the previous year.

**GOVERNMENT DEVELOPMENT EXPENDITURES FOR EXPANSION OF
AGRICULTURE AND WATER RESOURCES**

(billion rials)

	1378	1379	Percentage change	Share (percent)	
				1378	1379
Agriculture and natural resources	1,183.9	1,809.5	52.8	33.5	33.1
Water resources	2,352.7	3,653.0	55.3	66.5	66.9
Total	3,536.6	5,462.5	54.5	100.0	100.0

Source: Budget Law for 1379, and Management and Planning Organization

Banking Facilities

Facilities provided by banks and credit institutions to the agriculture sector increased in 1379 by 31.1 percent and amounted to Rls. 29,653.5 billion. A portion of these facilities was due to rescheduling of farmers’ overdue loans as a result of the continuing drought.

A review of credit performance of banks in the agricultural sector indicates that the commercial banking share in total outstanding facilities provided, declined slightly from 41.9 to 41.7 percent. The equivalent amount of this decrease was added to the Agriculture Bank's share of outstanding facilities. Non-bank credit institutions also provided Rls. 0.2 billion facilities to the private agricultural sector in this year.

OUTSTANDING FACILITIES EXTENDED BY BANKS AND CREDIT INSTITUTIONS TO AGRICULTURE SECTOR (1)					
	(billion rials)				
	1378	1379	Percentage change	Share (percent)	
				1378	1379
Commercial banks	9,473.2	12,367.2	30.5	41.9	41.7
Agriculture Bank	13,148.7	17,286.1	31.5	58.1	58.3
Credit institutions	0	0.2	0	0	*
Total	22,621.9	29,653.5	31.1	100.0	100.0

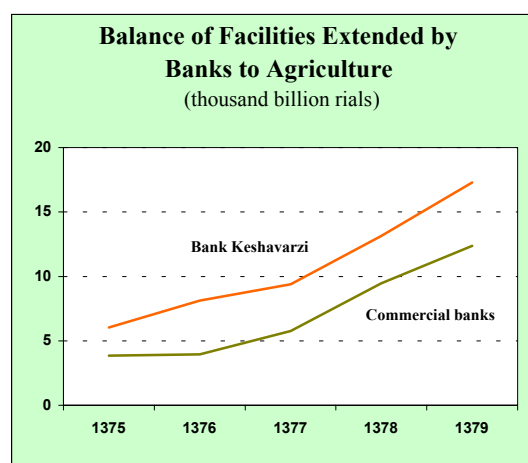
(1) Excludes profit and revenues receivable.

Banks' overdue claims on agriculture sector (non-public) increased by 35.9 percent, and the ratio of those claims to total outstanding facilities was 7.1 percent.

The outstanding balance of facilities extended by the Agriculture Bank to public and private sectors increased by 31.2 percent by year end and amounted to Rls. 17,428.8 billion. On the basis of data released by this bank, a total of Rls. 10,664 billion in the form of direct credits and banking facilities was provided to farmers registering a 32.4 percent rise over the previous year.

A review of the reports provided by Agriculture Bank shows that of the total payments made by this bank, the largest share was paid to farmers who held 34.4 percent of the outstanding facilities. This represented a 102.1 percent growth over the last year and amounted to Rls. 2,419.4 billion. Out of total facilities extended to the farming sector as a whole, Rls. 839.9 billion was allocated for new infra-structural capital investments with the balance going towards working capital requirements. New investments consisted mainly of irrigation related items (Rls. 618.8 billion) and in agricultural machinery (Rls. 137.1 billion).

An examination of the outstanding balance of facilities provided by Agriculture Bank according to their original maturity dates, indicates that facilities with maturity dates of less than 2 years increased by 33.4 percent and represented the greatest share of facilities in this year as in previous years. Although short-term facilities increased for the second consecutive year, its percentage share of total facilities decreased, thereby increasing the percentage share of facilities with original maturity dates of 2 to 10 years. This fact indicates Agriculture Bank's desire to provide investment funds for longer-term projects. Among the extended facilities, the greatest increase was related to medium-term facilities which registered a 261 percent growth i.e. Rls. 1,272.8 billion to total Rls. 1,760.5 billion.



**COMPARISON OF FACILITIES EXTENDED BY AGRICULTURE BANK
BY ORIGINAL MATURITY(1)**

(billion rials)

	1378	1379	Percentage change	Share (percent)	
				1378	1379
Less than 2 years	3,917,191	5,225,352	33.4	88.2	74.2
2-10 years	487,654	1,760,459	261.0	11.0	25.0
10-15 years	35,084	53,319	52.0	0.8	0.8
Total	4,439,929	7,039,130	58.5	100.0	100.0

(1) Excludes profit and revenues receivable.

Insurance of Agricultural Products

In 1379, the Agricultural Products Insurance Fund insured 1,658 thousand hectares of land under cultivation against losses from natural disasters, for 17 major agricultural and horticultural products. Despite the increase in the number of insured products, the amount of insured farmland decreased by 14 percent or 269 thousand hectares. This was owing to a reduction of the overall area under cultivation. In this year, 94 thousand hectares of insured farmlands suffered losses, and the Fund paid out Rls. 35,840 million in compensation. The average amount of compensation per hectare was Rls. 380 thousand, an increase of 31.5 percent over the previous year. In addition to insuring agricultural products, the Agriculture Bank paid Rls. 18.9 billion and one billion rials as compensation, respectively, for animal husbandry and pasturing, forestry and water yielding to the insured to expand insurance of livestock products.

INSURED FARMLANDS AND AMOUNT OF COMPENSATION

	Insured farmlands (thousand hectares)		Percentage change	Compensation (million rials)		Percentage change
	1378	1379		1378	1379	
Wheat	1,278.1	1,026.6	-19.7	10,138	13,737	35.5
Rice	103.1	92.7	-10.1	2,495	1,483	-40.6
Cotton	129.0	154.4	19.7	2,947	3,278	11.2
Sugar beet	193.8	179.3	-7.5	510	1,074	110.6
Soya	23.2	19.1	-17.7	1,483	1,144	-22.9
Potatoes	21.3	27.4	28.6	826	2,947	256.8
Sunflower	11.2	7.1	-36.6	609	271	-55.5
Corn	71.9	57.5	-20.0	1,844	1,297	-29.7
Barley	80.8	48.4	-40.1	463	850	83.6
Onions	1.9	1.6	-15.8	18	146	□
Grapes	2.5	6.5	160.0	603	2,296	280.8
Apples	1.6	3.1	93.8	261	1,661	□
Citrus	1.9	2.5	31.6	26	12	-53.8
Dates	1.9	5.4	184.2	1,558	956	-38.6
Pomegranate	0	0.2	□	0	216	□
Tea	4.5	0.5	-88.9	257	900	250.2
Brassica	0	25.5	□	0	3,572	□
Total	1,926.7	1,657.8	-14.0	24,038	35,840	49.1

Source: Insurance Fund for Agricultural Products

Rural Cooperatives and Cooperative Unions

The number of rural cooperatives and their total members remained basically the same as in the previous year and amounted to 2,948 and 4.4 million members. Khorasan Province, with 334 and a capital of Rls. 34,986 million, was the top ranked province. In this year, rural cooperatives extended Rls. 346.7 billion in loans for various uses to their farmers, which had a 4.2 percent increase over the previous year. The number of rural cooperative unions increased by 2.8 percent to a total of 255 unions, with a capital of Rls. 102.9 billion, showing 5.5 percent increase over the previous year.

One of the main functions of rural cooperatives is the purchase of agricultural products from their farming members. Under this initiative, in 1379, a total of 4,414.4 thousand tons of agricultural products were purchased from farmers, showing 4.8 percent increase over the previous year.

RURAL COOPERATIVES AND COOPERATIVE UNIONS

	1378	1379	Percentage change
Rural cooperatives			
Number	2,949	2,948	*
Number of members (thousand persons)	4,421	4,423	*
Capital (million rials)	313,763	332,003	5.8
Loans paid (million rials)	332,873	346,723	4.2
Rural cooperative unions			
Number	248	255	2.8
Number of member corporations	2,944	2,999	1.9
Capital (million rials)	97,501	102,883	5.5

Source: Central Organization of Rural Cooperatives

Export of Agricultural Products

On the basis of data released by the Customs, a total of 1,446 thousand tons of agricultural products valued at \$ 976.5 million was exported in the year under review, registering 3.2 percent reduction in weight and 4.1 percent increase in value. In general, export of agricultural products constituted 10.1 percent of the weight and 25.9 percent of the value of non-oil exports.

EXPORT OF AGRICULTURAL PRODUCTS

	(thousand dollars, ton)					
	1378		1379		Percentage change	
	Value	Weight	Value	Weight	Value	Weight
Dried fruits	427,348	328,548	427,753	350,226	0.1	6.6
Vegetables	172,867	794,118	167,930	614,884	-2.9	-22.6
Livestock products	118,671	62,690	167,711	92,406	41.3	47.4
Sea products	41,406	7,492	49,655	12,550	19.9	67.5
Agricultural processing industries products	177,634	301,313	163,407	375,821	-8.0	24.7
Export of agricultural products	937,926	1,494,161	976,456	1,445,887	4.1	-3.2
Total non-oil exports	3,361,953	17,567,081	3,762,840	14,281,012	11.9	-18.7

Source: Customs' foreign trade statistics

Import of Agricultural Products

During this period, 12,378.3 thousand tons of agricultural products valued at \$ 2,600.7 million was imported and registered 3.3 percent increase in weight and 1.2 percent reduction in value, indicating reduction in unit value of imported agricultural products by 4.4 percent. Import of agricultural products constituted 18.1 and 47.6 percent of the value and weight of the total imports, respectively.

IMPORT OF AGRICULTURAL PRODUCTS					(thousand dollars, ton)	
	1378		1379		Percentage change	
	Value	Weight	Value	Weight	Value	Weight
Wheat	801,301	6,155,936	739,026	5,612,752	-7.8	-8.8
Barley	53,556	423,487	160,309	1,049,743	199.3	147.9
Rice	325,854	1,021,836	339,131	1,167,242	4.1	14.2
Tea	49,151	17,713	60,094	20,958	22.3	18.3
sugar and cube sugar	280,782	1,339,393	212,564	928,262	-24.3	-30.7
Vegetable oils	500,065	978,686	408,643	1,055,379	-18.3	7.8
Animal oils	16,158	28,137	8,134	17,097	-49.7	-39.2
Red meat	62,811	27,668	26,089	16,264	-58.5	-41.2
Fish	3,550	2,983	2,510	1,953	-29.3	-34.5
Poultry	17,045	14,353	22,331	22,656	31.0	57.8
Other agricultural goods	522,738	1,969,264	621,825	2,486,018	19.0	26.2
Import of agricultural products	2,633,011	11,979,456	2,600,656	12,378,324	-1.2	3.3
Total imports	12,682,652	21,548,880	14,346,866	25,980,942	13.1	20.6

Source: Customs Foreign Trade Statistics

Import of wheat constituted 28.4 percent of value and 45.3 percent of the weight of import of agricultural products, which had the greatest share in imports despite reduction both in weight and value over the previous year. Thus, import of wheat was limited to \$ 739 million due to initial projections concerning increase in domestic wheat production. Imports of vegetable oils and rice with 18.3 percent reduction and 4.1 percent increase in value, respectively, amounted to \$ 408.6 million and \$ 339.1 million. Import of red meat with the greatest reduction (58.5 percent) was limited to \$ 26.1 million.

In general, the trade balance of agricultural products with a deficit of \$ 1,625 million registered 4.1 percent reduction compared to the deficit of the previous year (\$ 1,695 million).