

3. Fertilizer Situation

Currently most fertilizers are imported and utilization is not high. There are ambitious plans to increase local production significantly; the Al Qaim phosphate plant near the Syrian border has come into operation and is satisfying local demand for fertilizers of this type.

Two fertilizer plants near Basrah, utilizing natural gas, were damaged in the early days of the war but will eventually be replaced.

4. Import Mechanism

Almost all grain (wheat, barley and rice) are imported through the Grain Board of Iraq, (which falls under the State Organization for Grain which is, in turn, under the Ministry of Trade). Most purchases are made within the framework of long-term agreements with suppliers in which annual minimum and maximum levels are set out. Note that imports since 1982/83 have been financed by the suppliers for a usual term of two years.

Mr. Zuhair Daoud has been the Director of the Grain Board of Iraq for more than twenty-five years and is very well known to the Canadian Wheat Board.

5. Grain Industry Infrastructure

The grain industry is exclusively in the public domain. The State Organization for Grain supervises and controls various establishments responsible for milling, bakeries, importation and storage. Storage capacity is being increased: three complexes of "thin-shelled concrete domes" have been built by Howe International at Salman Pak, Khan Bani Saad and Najef (total 130 thousand tonnes in new storage capacity; six other conventional silo complexes under construction at Talafa, Hilla etc. will add another 400,000 tonnes of capacity by the end of 1984. The Iraqis' plan is to eventually have storage capacity for a full year's consumption (2.5 to 3 million tonnes). Current capacity is 1,400,000 tonnes.

6. Government Policies Affecting Grain and Agriculture

Grain production and reclamation policies, if successful, will eventually make Iraq self-sufficient in wheat and coarse grains and consequently negate the need for imports. Work is continuing on projects aimed at expanding agricultural production by reclaiming land lost to salinity and extending irrigation to traditionally rain-fed areas. Iraq has more than 13.5 million hectares of arable land of which approximately one-half is under cultivation. The main Tigris-Euphrates drainage project in the southern part of the country restored 200,000 hectares in 1982 and reversed the trend of losing more land each year than was being reclaimed. Major irrigation projects are proceeding and new approaches to irrigation, such as the "drip method" introduced by resident Australian teams, are being tested. Iraq for strategic reasons is attempting to build up grain reserves by increasing storage capacity by at least 500,000 tonnes in the medium term. There is a long term policy to increase livestock production.