

**Voluntary Report** – Voluntary - Public Distribution

**Date:** June 08, 2021

**Report Number:** IZ2021-0003

**Report Name:** Iraq Issues Decisions to Restrict the Movement of Wheat and Barley

**Country:** Iraq

**Post:** Baghdad

**Report Category:** Policy and Program Announcements, National Plan, Agriculture in the News, Agricultural Situation, Grain and Feed

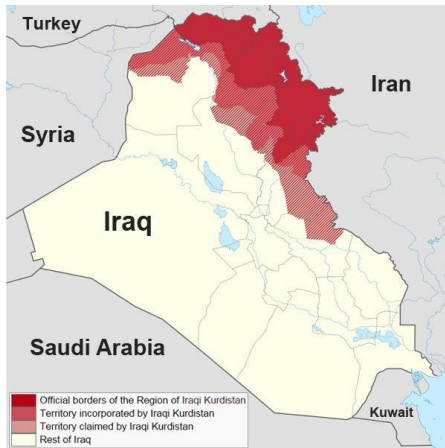
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**Report Highlights:**

Effective April 15, Iraq's Ministry of Agriculture issued a number of decisions to restrict the transshipment of wheat and barley inside Iraq to limit the entry of crops from unknown sources.

The Iraqi Ministry of Agriculture (MOA) recently announced a number of decisions to prevent the movement of wheat and barley inside Iraq, specifically between the Kurdistan region in the north and the rest of the governorates in Iraq. The entry of imported wheat and barley by the private sector is blocked from all border outlets until further notice, while the crops transferred to MOA-owned entities (the Mesopotamia General Seed Company and the Iraqi Seed Production Company) were excluded. The purpose is to limit the entry of crops from unknown sources, unspecified harvest seasons, unclear consumption suitability – i.e. whether intended for human or fodder use – and deter gray market trade from smugglers and speculative traders.



This has been a longstanding issue between the Kurdistan Regional Government (KRG) and the Iraqi federal government where the KRG is not fully implementing Iraqi federal regulations concerning the importation of some crops, thus prompting MOA to restrict the movement of crops from the KRG to the rest of Iraq, as a means to curtail transshipment.

Both wheat and barley are strategic crops for Iraq. The government supports farmers with subsidized inputs and purchases their grain at procurement prices that are set above international prices. This price differential however, creates an arbitrage opportunity for traders to sell less expensive, lower-grade crops from neighboring

countries to the public sector at the announced price as if it were locally-produced, putting a strain on government resources and threatening national food security.

Wheat flour is also a part of the Public Distribution System that provides beneficiaries with staple foods at a reduced price and accounts for a large percentage of Iraqi wheat consumption. Iraq imports on average 2 MMT of wheat per year, while barley imports are minimal.

**Attachments:**

No Attachments.