Agriculture and Food in Iran

Economic Research Department
TCCIM

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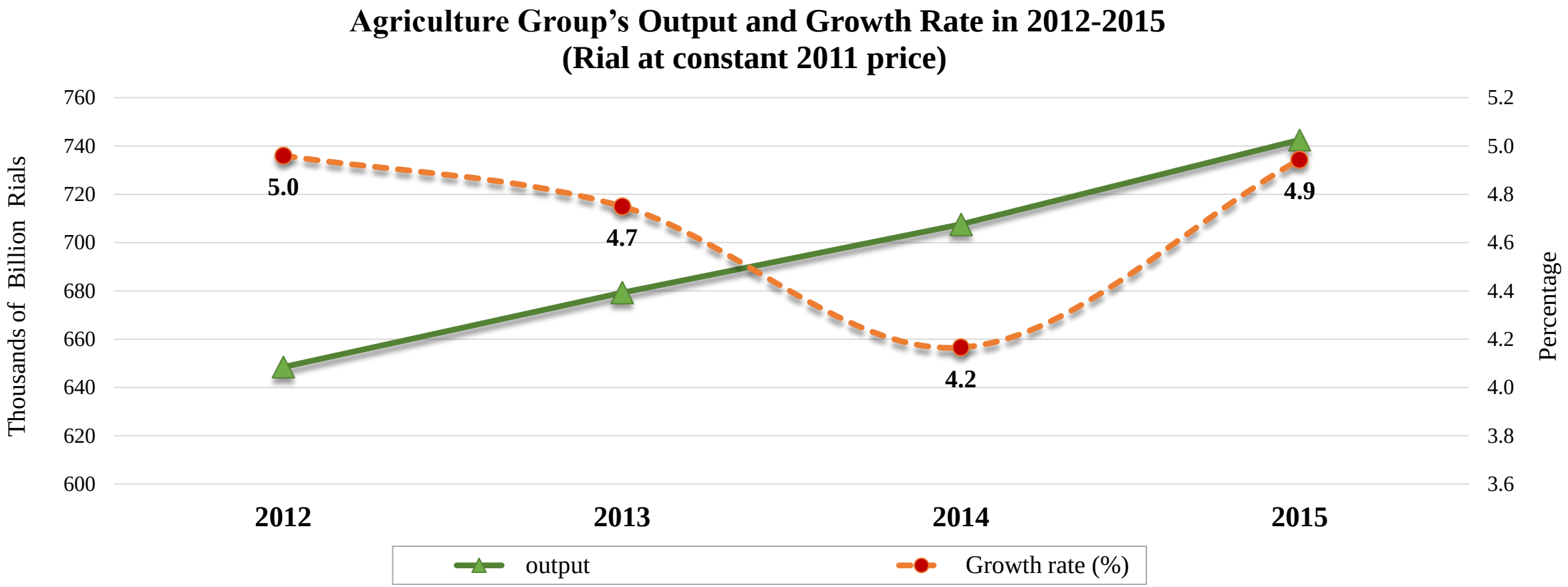
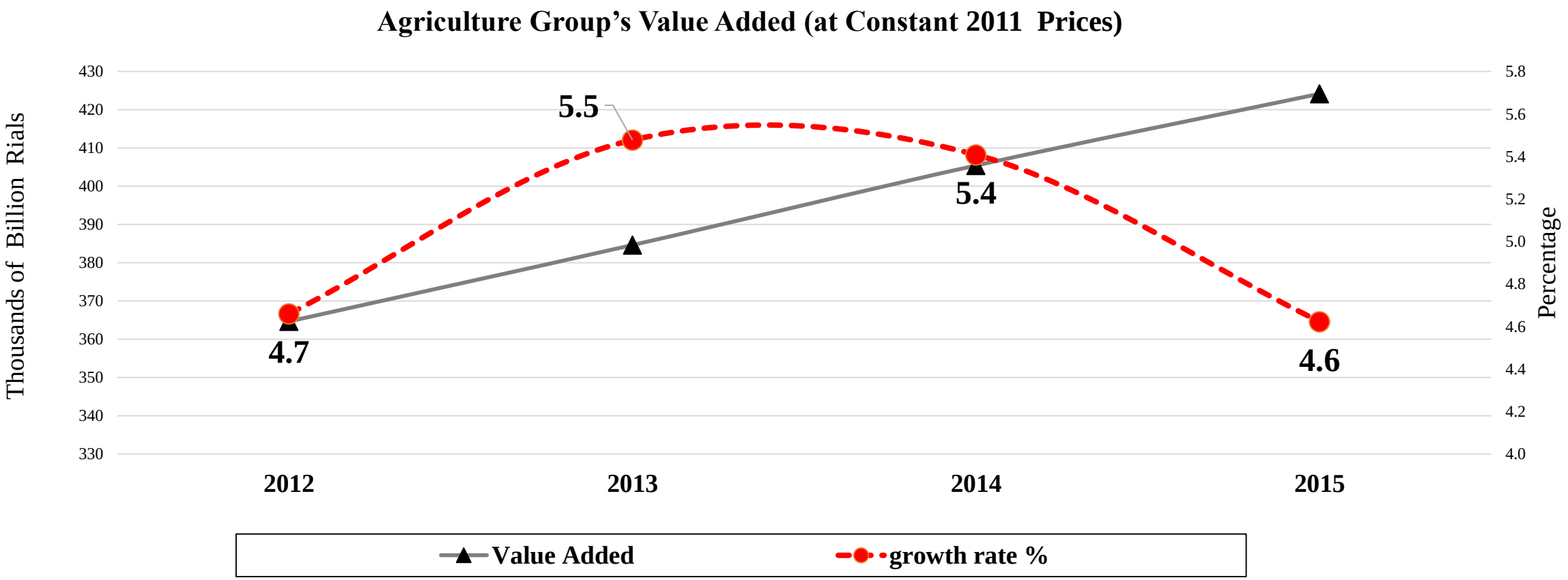
Production

Continuous agriculture output growth over the last 5 years

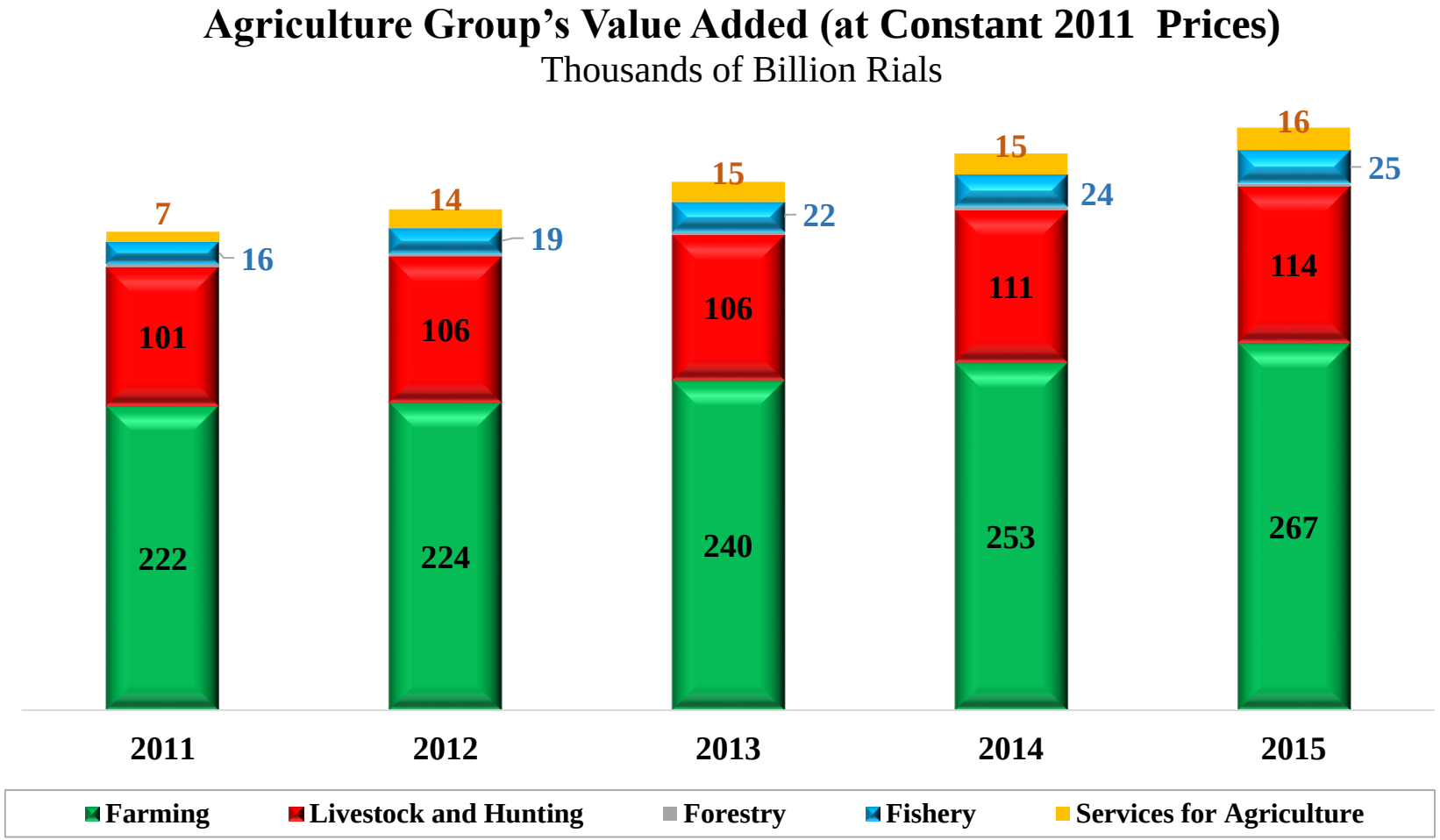


Source: Central Bank of Iran

Positive growth rate of value added in agriculture group during 2012 - 2015



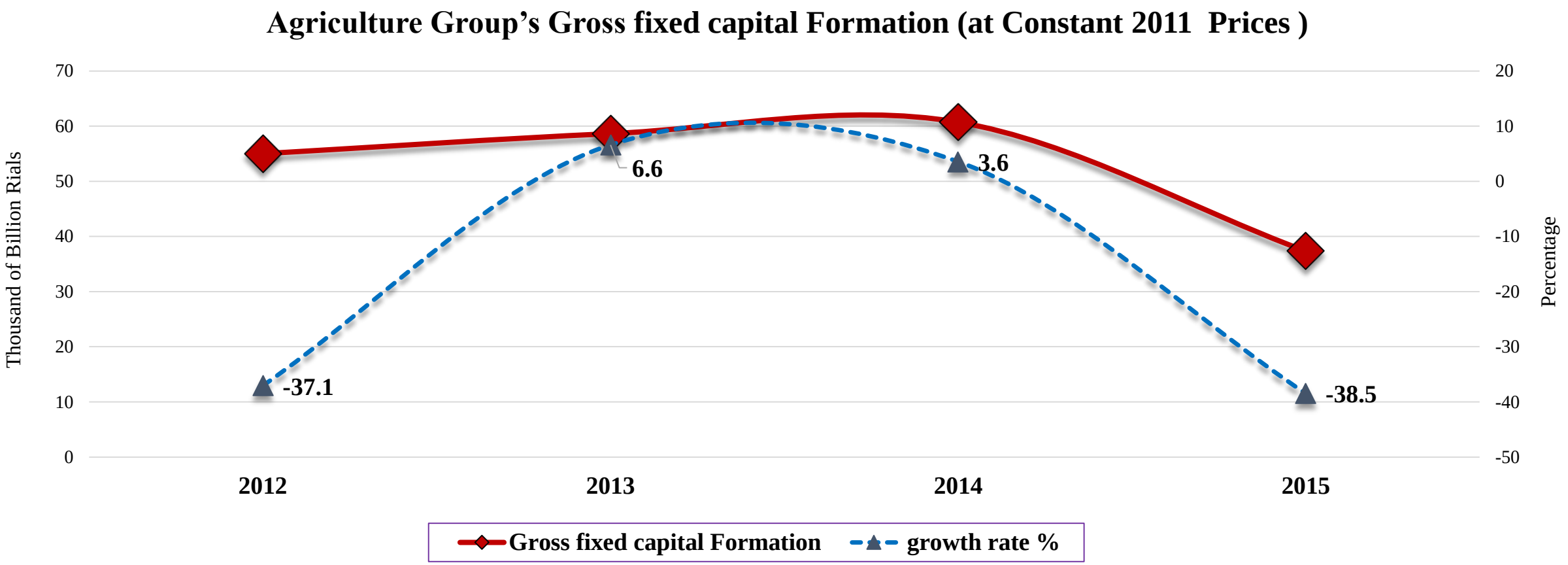
The high contribution of the farming and livestock sectors in the agriculture value added



Sectors of Agriculture	Average annual growth rate (2011-2015)
Farming	4.8 %
Livestock and Hunting	3.1%
Forestry	-0.9 %
Fishery	11 %
Services for Agriculture	26.2 %

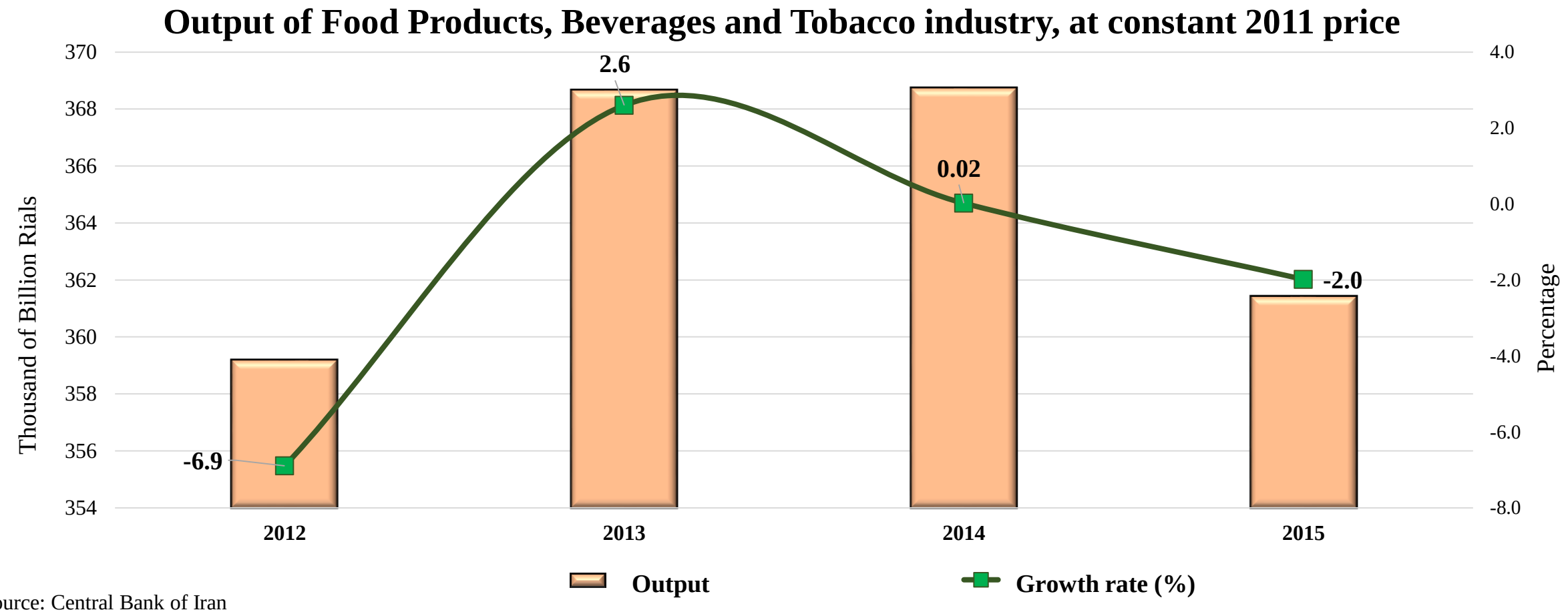
Source: Central Bank of Iran

The downward trend of investment in the agricultural sector



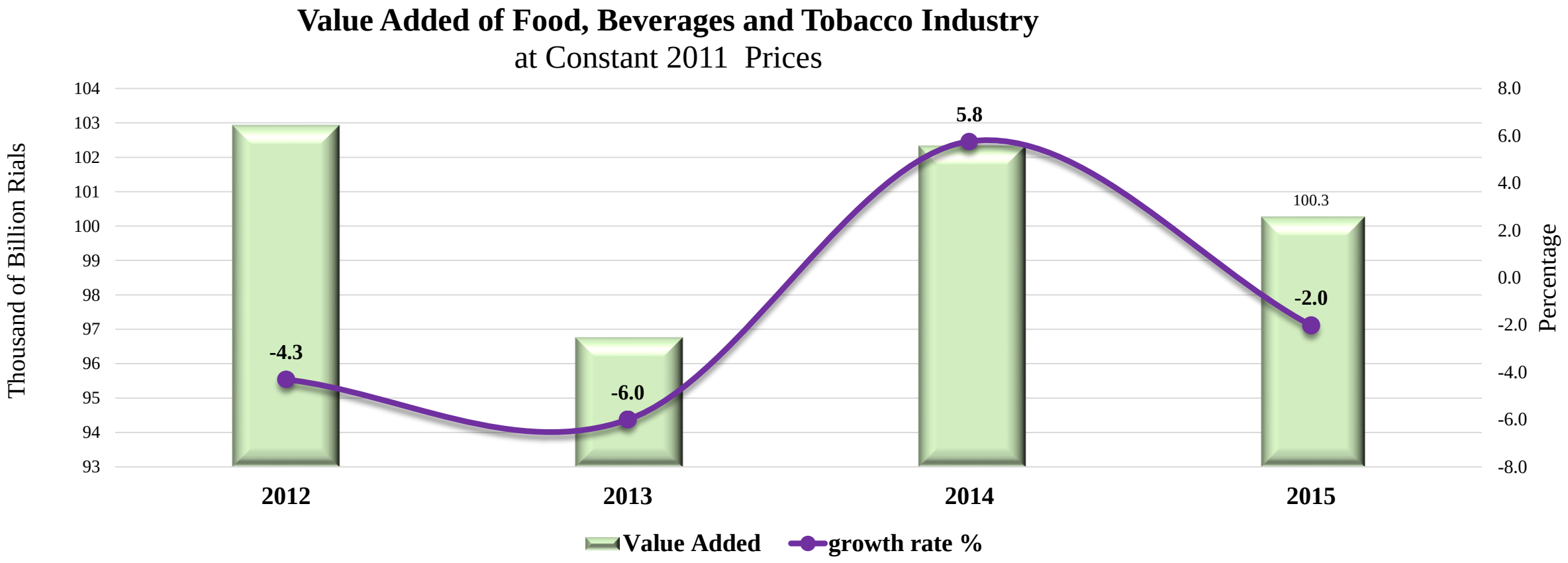
Source: Central Bank of Iran

The Output of Food Products, Beverages and Tobacco has been reduced in 2015, Compared to the previous year.



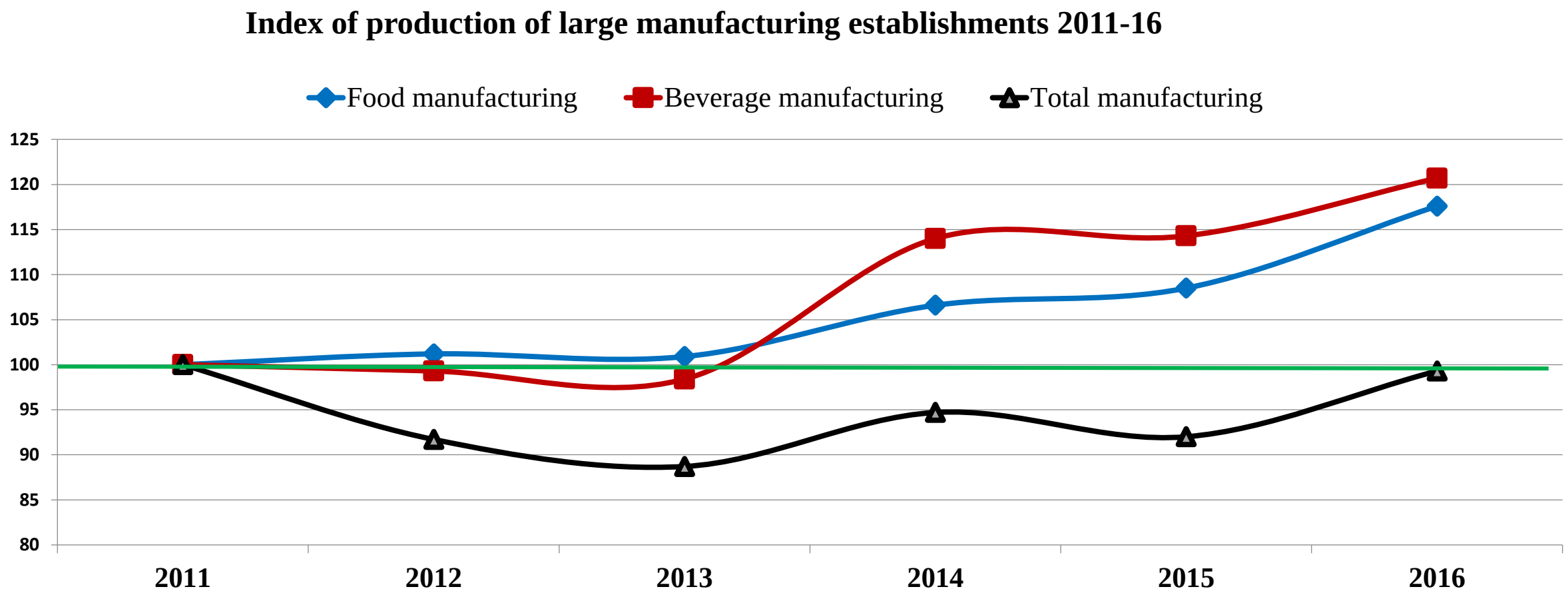
Source: Central Bank of Iran

Value Added of Food, Beverages and Tobacco Industry in Iran has been annually declined by 1.7% during 2012-2015.

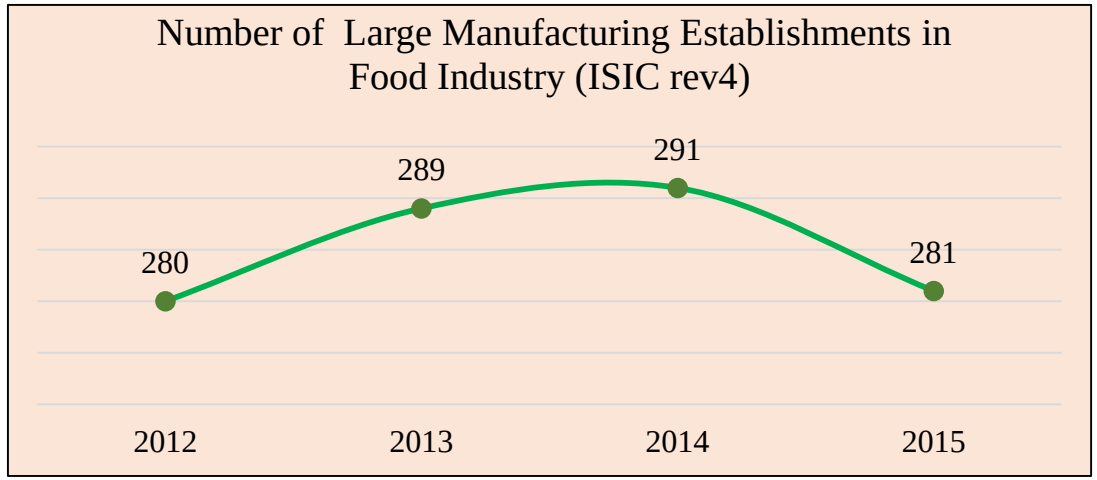


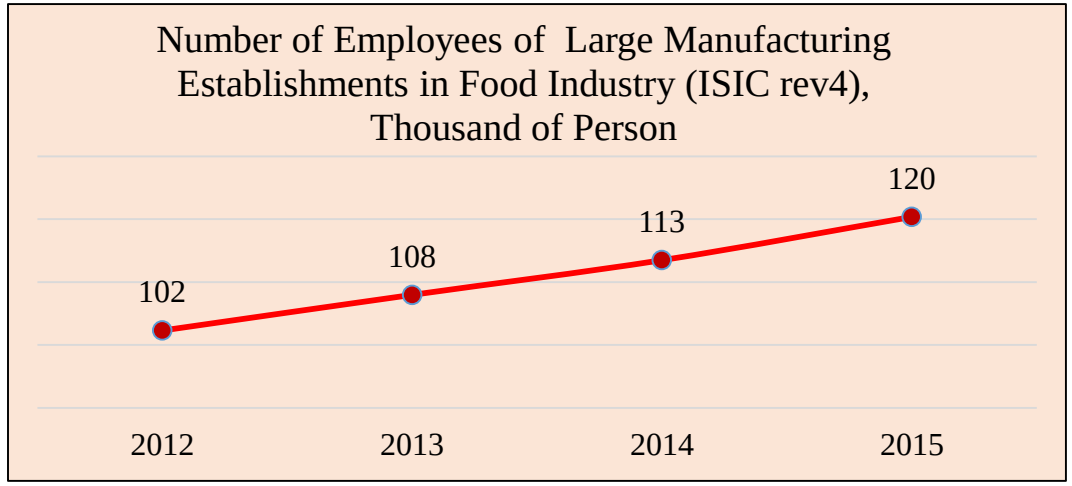
Source: Central Bank of Iran

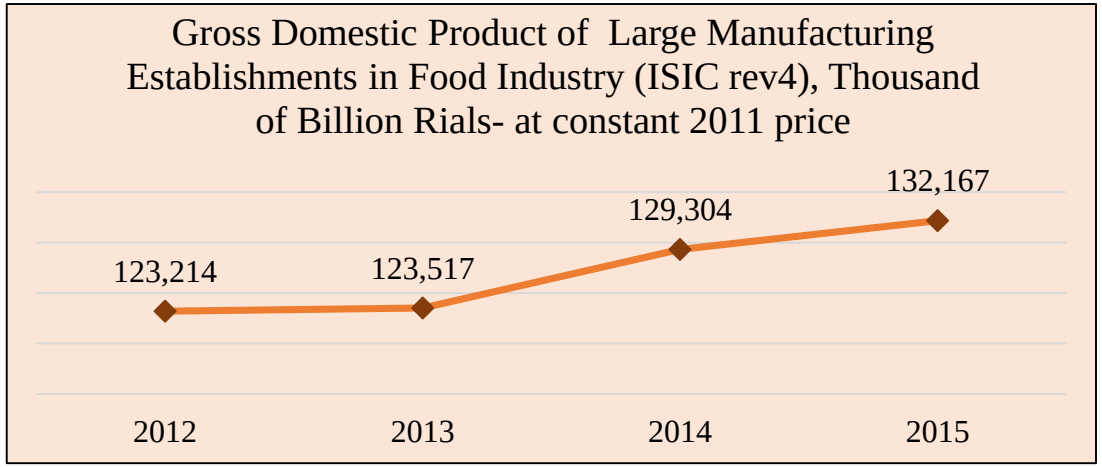
Food and Beverage as dynamic and booming industries

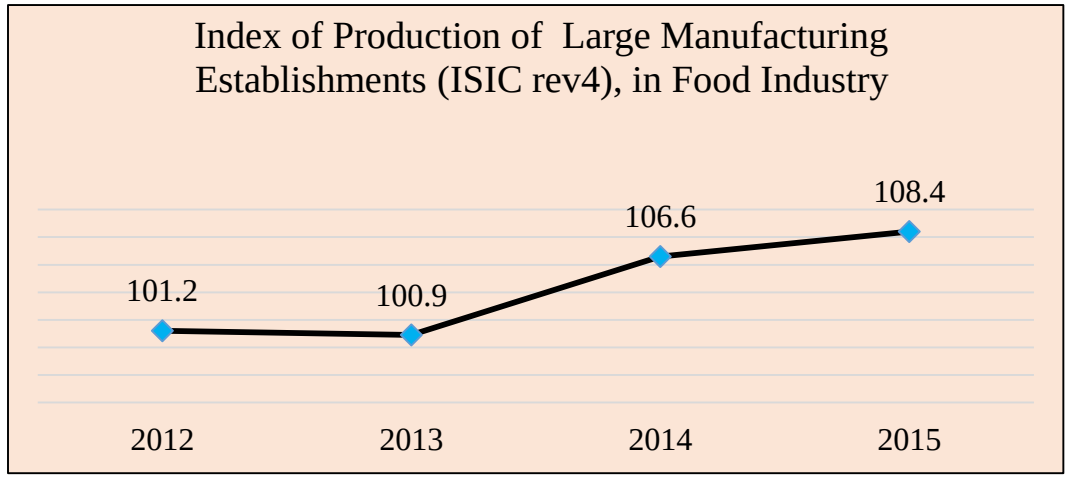


A growing trend in the food industry production index, value added and number of establishments







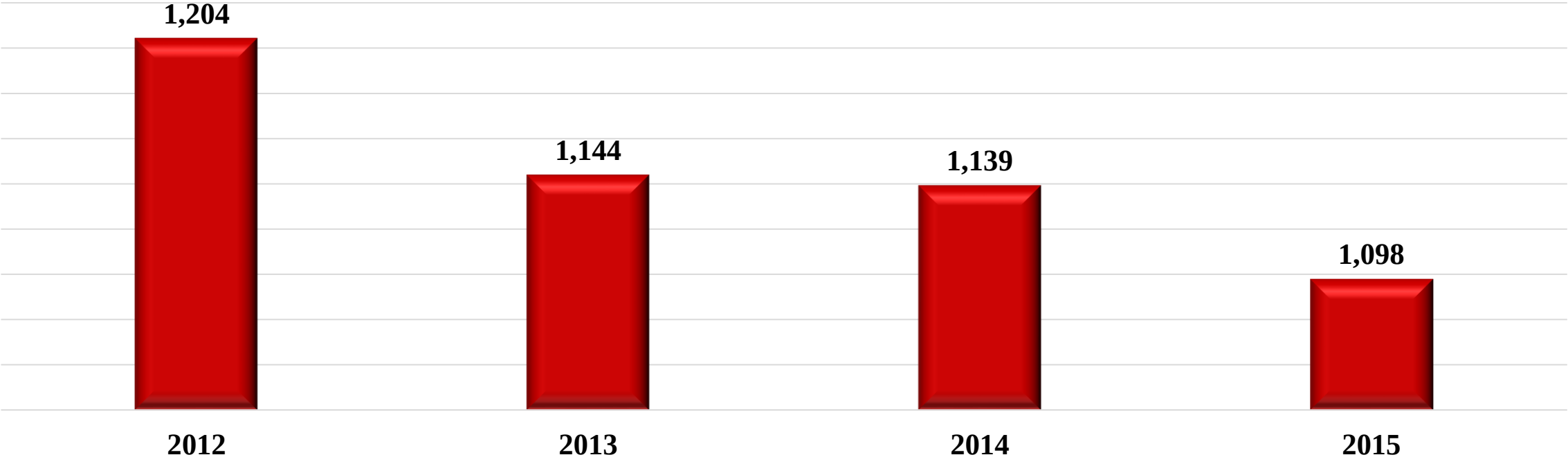


Source: Central Bank of Iran

The challenge of reducing productivity in the food industry

Labor productivity of Large Manufacturing Establishments in Food Products Industry (ISIC Rev4)- at constant 2011 price

(million rials per person)



Source: Central Bank of Iran and Research Calculation

Only 21% of food and beverage manufacture establishments (with 10 and over employees) , with about 79% of total employees, produce over 84% of value added of food and beverage sector

Composition of Food and Beverages Manufacturing Establishments with 10 or over Employees the Number of Employees in 2014

	Small (10-49 Employees)	Large (Over 50 Employees)	Overall
Number of Manufacture Establishment	1928	851	2779
Value Added (% of total food and beverage value added)	15.8	84.2	100
Number of Employees (thousand of person)	45.1	171.1	216.2
Direct Export (million dollars)	207.7	1286.3	1494

Source: statistical center of Iran

Most of Area of cultivated in Iran is related to wheat by 56%, 18 % to barley and 3% to rice. Khuzestan Province is one of the 5 major provinces in the production of this products.

Top Provinces in Wheat
Area of cultivated -2014

Major province	Area cultivated (thousands Hectare)	Share (%)
Khuzestan	854	13.2
Kordestan	560	8.7
East Azarbayejan	483	7.5
Khorasan-Razavi	430	6.6
Lorestan	370	5.7

Top Provinces in Barley
Area of cultivated -2014

Major province	Area cultivated (thousands Hectare)	Share (%)
Lorestan	206	9.9
Khorasan-Razavi	203	9.8
Khuzestan	162	7.8
Fars	147	7.1
Kermanshah	138	6.7

Top Provinces in Rice
Area of cultivated -2014

Major province	Area cultivated (thousands Hectare)	Share (%)
Mazandaran	140	36.6
Gilan	127	33.2
Khuzestan	34	9
Golestan	26	6.7
Fars	21	5.5

Source: statistical center of Iran

Approximately 37% of total agricultural operations in Iran is belong to wheat and share of barley and rice of total agricultural operations is respectively 20% and 12%. Khorasan Razavi is the major producer of wheat and barley by the number of operation.

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Golestan	26	6.7
Fars	21	5.5

Source: statistical center of Iran

In arable land 68% of operations belong to irrigated farming. This ratio is 91% in the gardens. About 59% of arable land is allocated to rain fed farming, This ratio is 9% in the gardens.

Number of operations and Area of Arable Land of Iran-2014					
Number of operations			Area (Hectare)		
Total	Irrigated farming	Rain fed farming	Total	Irrigated farming	Rain fed farming
2,470,140	1,687,204	1,173,376	14,687,053	5,996,635	8,690,419

Number of operations and Area of Gardens of Iran-2014					
Number of operations			Area (Hectare)		
Total	Irrigated farming	Rain fed farming	Total	Irrigated farming	Rain fed farming
1,704,193	1,550,539	177,084	1,789,555	1,622,584	166,971

Source: statistical center of Iran

Chicken Meat and Egg Production and Consumption- 2016

Chicken Meat production (Million of tones)	**1905**
Chicken Egg production (Thousand of tones)	**940**
Chicken Meat consumption per capita (Kg)	**25.5**
Chicken Egg consumption per capita (Kg)	**11.7**

Source: Iran Ministry of agriculture-Jahad

Over 31 million holdings with sheep and lambs has operated in 2014.

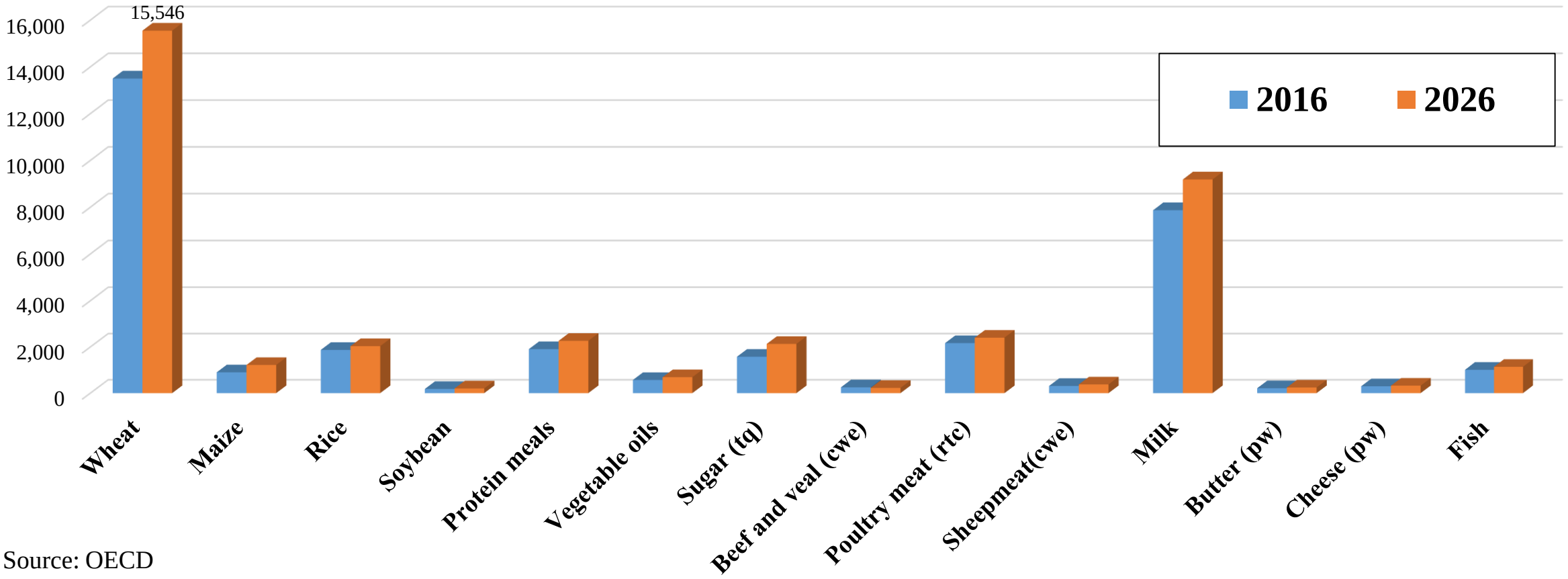
Holdings with Livestock in 2014

Cattle and Calves		Sheep and Lambs		Goats and Kids	
Number of holdings	Total Number of livestock	Number of holdings	Total Number of livestock	Number of holdings	Total Number of livestock
695,526	4,231,993	881,271	31,420,569	657,371	12,333,273

Source: statistical center of Iran

Prospect of Iran agriculture sector indicates that production of wheat and milk will increased by 2026.

Iran's Agricultural Outlook- Production of selected commodities (Thousand of tones)



Source: OECD

Trade

With focus on trade with EU

The size of import food market in the EU is notable

Extra-EU28 trade of food, drinks and tobacco (SITC 0+1), by Member State, Imports in million of ECU/EURO

Extra-EU import in 2016:
109.1 billion of ECU/EURO

with
0.44% Growth Rate

Bubble Size: Import in 2016

Source: Eurostat

Despite positive growth in import, Iran's share of EU market is low

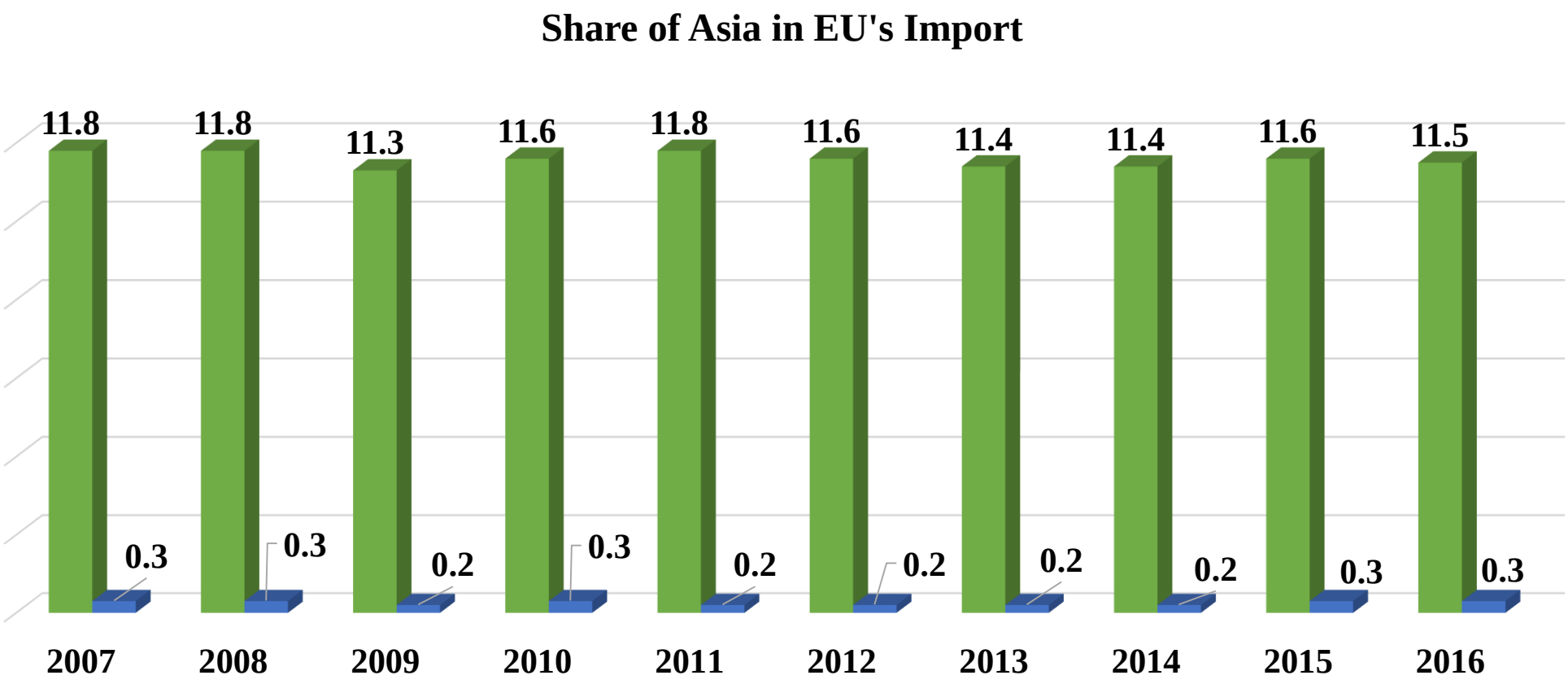
Extra- EU28 Import of food, drinks and tobacco (SITC 0+1), by main partners

Top Partners in Import in million of €	Average 5 years 2012-16	2016	% Growth(2015/2016)
United States	8007	8523	-9.9
Brazil	10572	9598	-11.2
Russia	1472	1595	3.0
Switzerland	4195	4433	1.8
China (except Hong Kong)	4570	4948	2.3
Norway	5427	6819	17.8
Turkey	4286	4795	-5.9
Argentina	5489	5662	2.4
Japan	194	272	23.9
Canada	1750	1813	-10.8
Iran	281	333	4.2

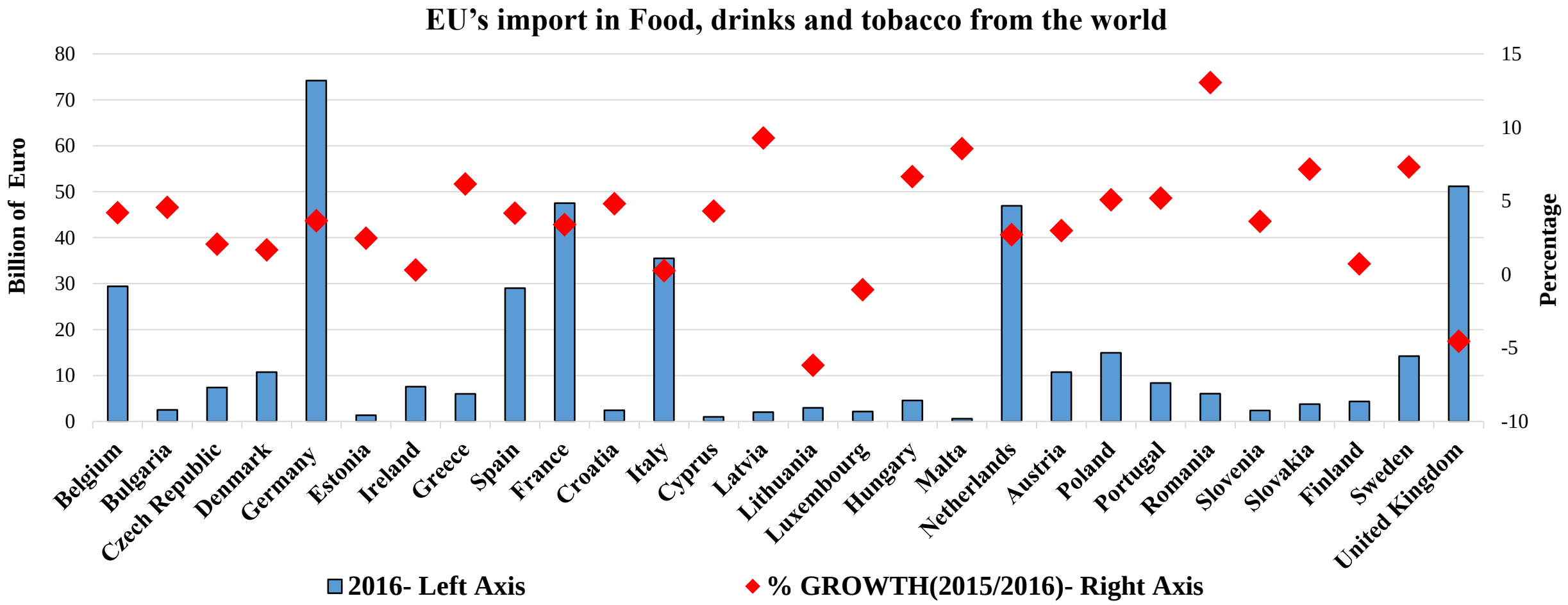
A %18.7 reduction of food and drink trade between the EU and Iran during seven months of 2017

	EU's Import from Iran		EU's Export to Iran	
	Seven Months of 2017	changes(%)	Seven Months of 2017	changes(%)
Total - all products	5,817	171.1	5,759	37.5
Food, drinks and tobacco	206	-12.2	275	-22.9
Food and live animals	206	-12.1	243	-24.5
Beverages and tobacco	0	-	32	-8.8
Animal and vegetable oils, fats and waxes	0	-	8	6.3

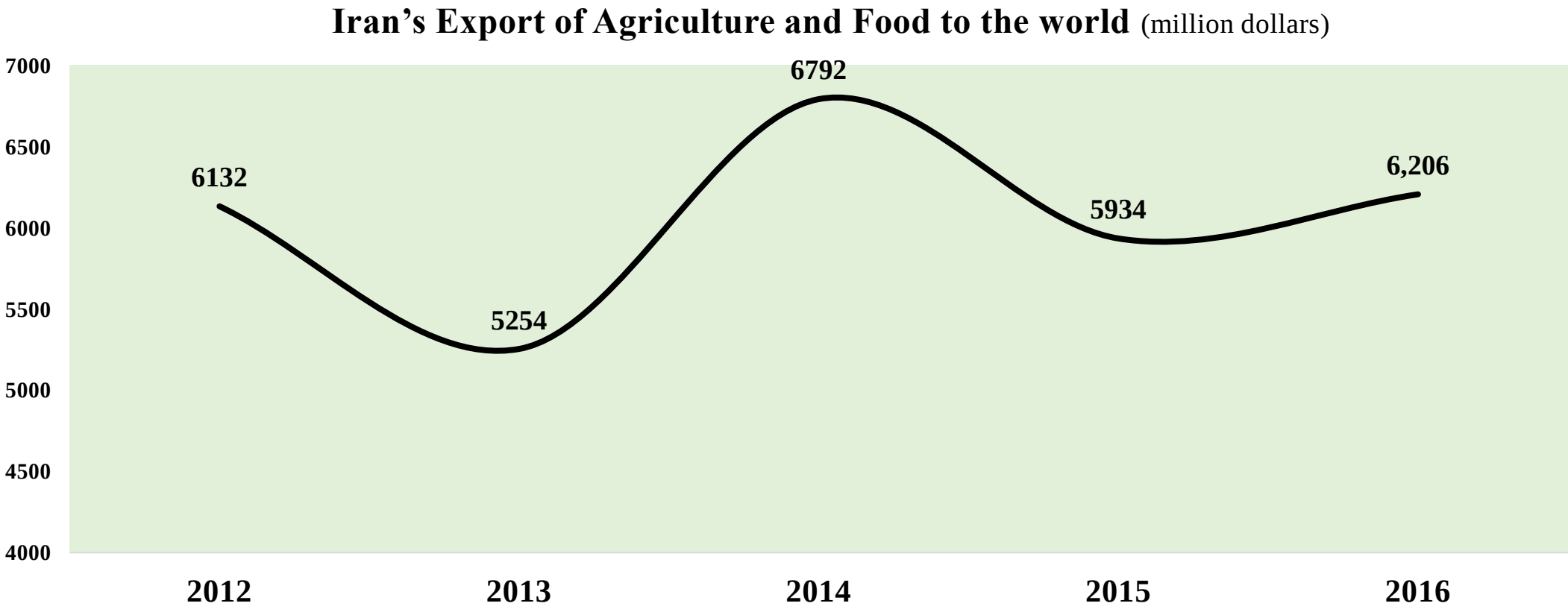
Iran’s low share of EU food import from Asia



Europe food Import from the world has climbed by almost 2.4% and reached to € 430 billion in 2016.



Iran's Export of Agriculture and Food to the world has been annually grows up by 0.3% during of 2012-2016.



Source : Islamic Republic of Iran Customs

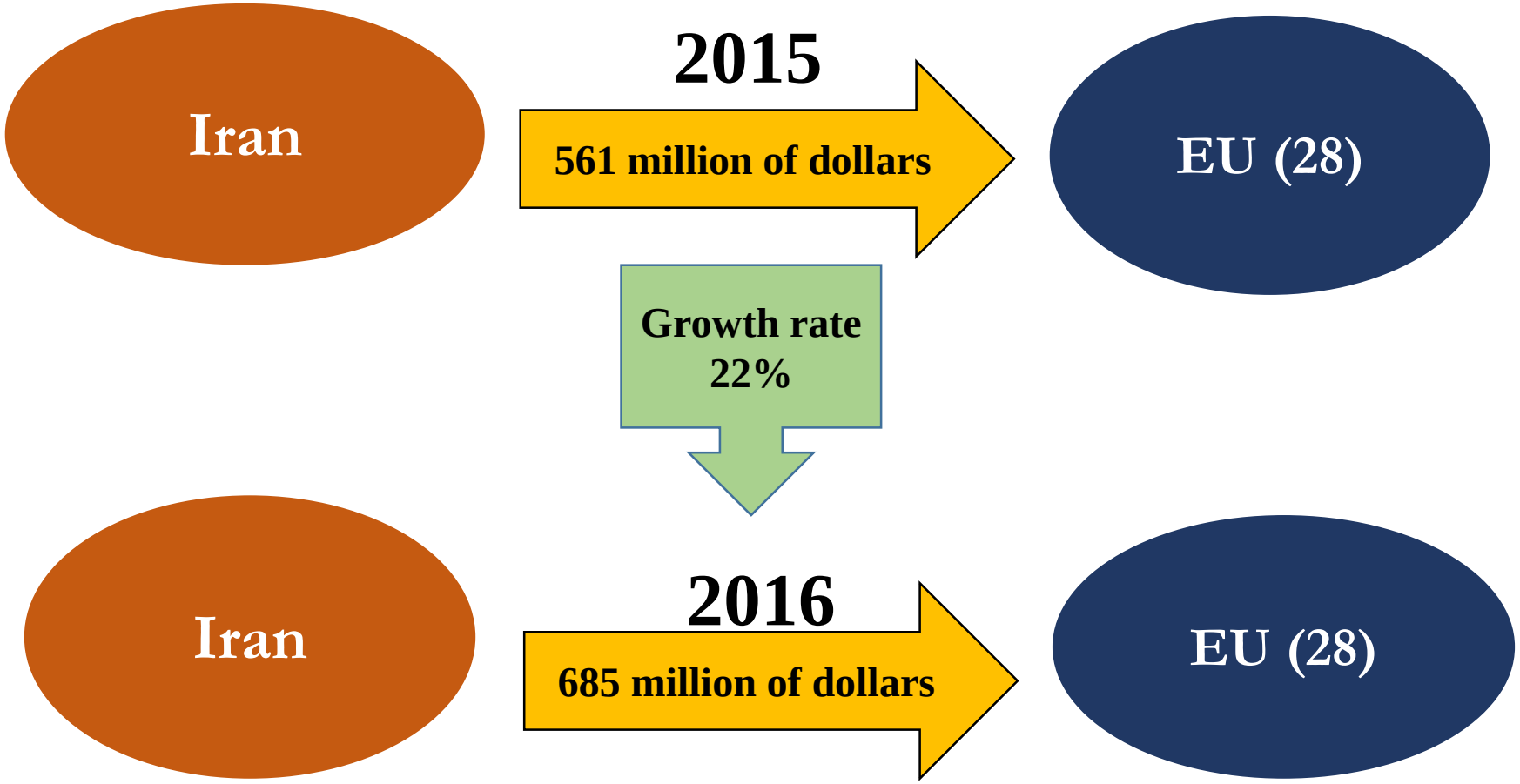
Top ten major commodities consist of approximately 40% of total agriculture and food export of Iran to the world.

Top major commodities in agriculture and food export of Iran, 2016

Tariff Code	Description	Quantity (thousand of tons)	Value (million dollars)	share of total agriculture and food Iran's export (%)
08025100	Pistachios in shell	**114**	**967**	**15.6**
20029010	Tomato paste	**150**	**208**	**3.4**
08025210	Pistachio nut	**14**	**203**	**3.3**
09102090	saffron in more than of 30 grams packaging	**0**	**194**	**3.1**
01041090	Sheep except purebred producer sheep	**37**	**185**	**3.0**
04069000	Other cheese	**48**	**163**	**2.6**
04031090	Other Yogurt	**149**	**146**	**2.4**
07020000	Tomatoes, fresh or chilled	**535**	**139**	**2.2**
17049000	Sugar confectionery (including white chocolate), not containing cocoa Not mentioned elsewhere	**44**	**133**	**2.1**
08062060	Angouri, seedless	**49**	**131**	**2.1**

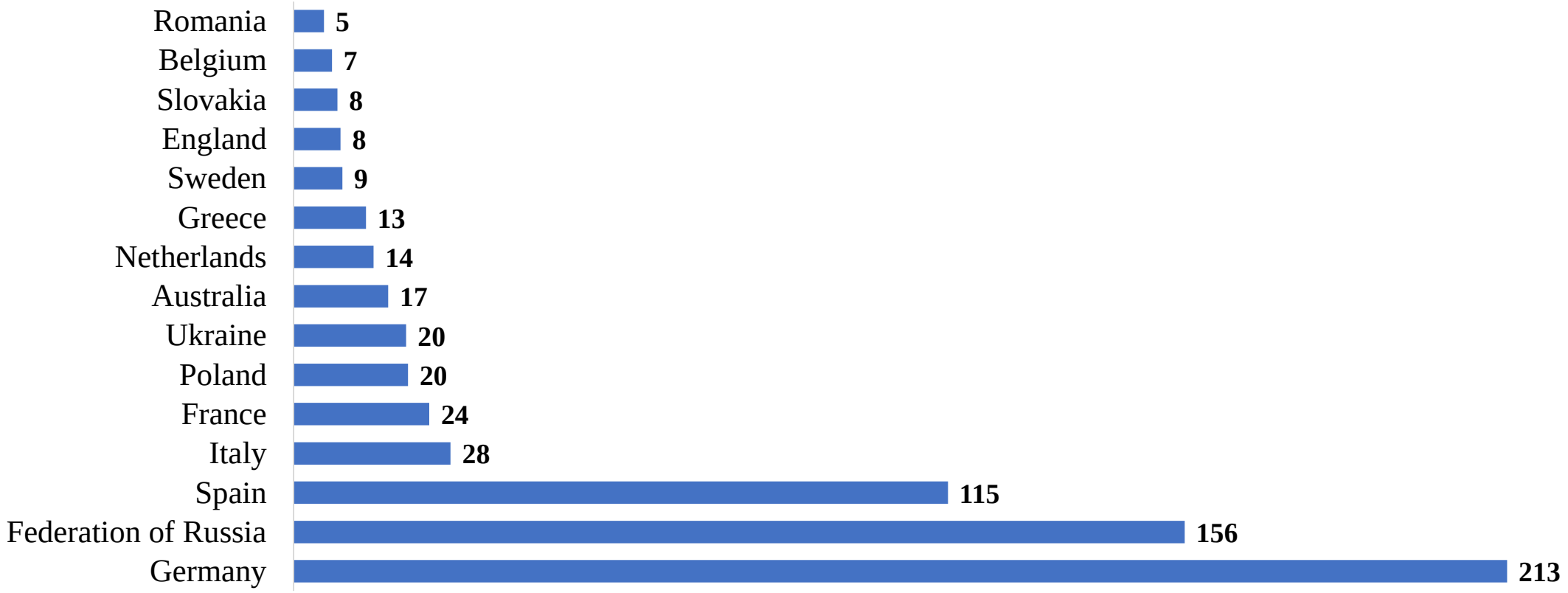
Source: Islamic Republic of Iran Customs

Iran's agriculture and food Export to Europe has been grown up to 22% in 2016



Over 70% of agriculture and food export of Iran to Europe is exported to Germany, Russia and Spain.

Top major destinations in agriculture and food export of Iran to Europe (million dollars), **2016**



Source : Islamic Republic of Iran Customs

Top ten major commodities consist of almost 77% of total agriculture and food export of Iran to Europe.

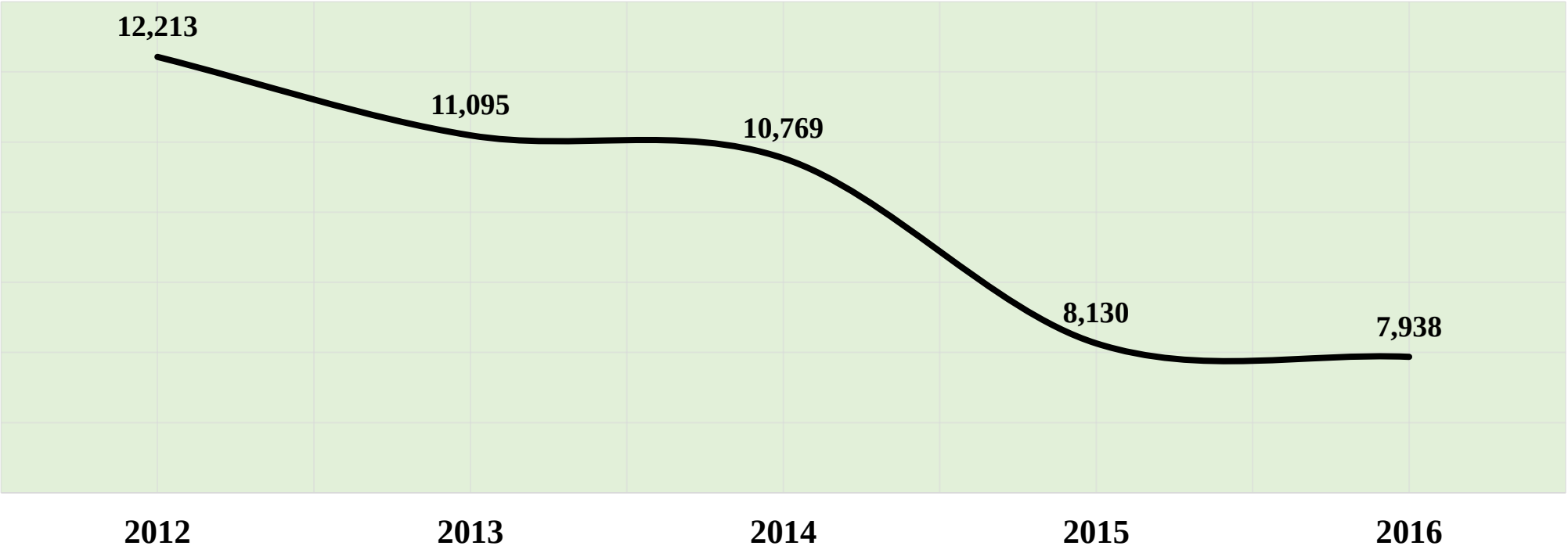
Top major commodities in agriculture and food export of Iran to Europe, 2016

Tariff Code	Description	Quantity (thousand of tons)	Value (million dollars)	share of total agriculture and food Iran's export to Europe (%)
08025100	Pistachios in shell	**16.8**	**140**	**21**
09102090	saffron in more than of 30 grams packaging	**0.1**	**84**	**13**
05040000	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked	**1.8**	**74**	**11**
08062030	Tizabi (nitrated), seedless	**35.5**	**56**	**8**
08025210	Pistachio nut	**3.1**	**52**	**8**
08105000	Kiwifruit	**50.3**	**29**	**4**
08062060	Angouri, seedless	**9.5**	**26**	**4**
07070000	Cucumbers and gherkins, fresh or chilled.	**62.3**	**23**	**4**
08041040	Date (Mozafaty)	**11.6**	**16**	**2**
13021200	Vegetable saps and extracts Of liquorice	**3.5**	**16**	**2**

Source: Islamic Republic of Iran Customs

Iran’s Import of Agriculture and Food from the world has been annually declined by 10.2% during of 2012-2016.

Iran’s Import of Agriculture and Food from the world (Million dollars)



Source : Islamic Republic of Iran Customs

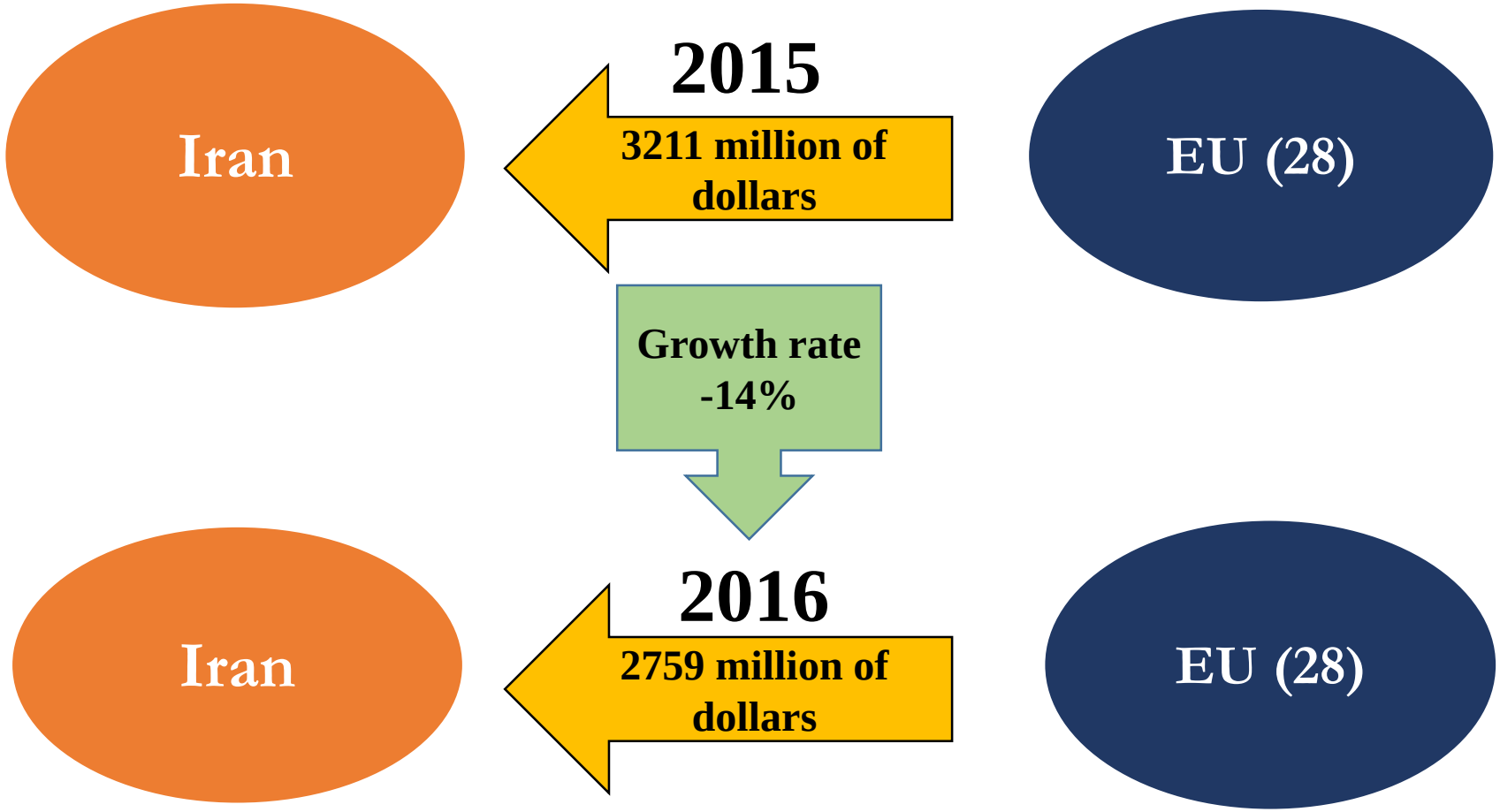
Top ten major commodities consist of about 67% of total Iran's import in agriculture and food from the world.

Top major commodities in Iran's import in agriculture and food from the world, 2016

Tariff Code	Description	Quantity (thousand of tons)	Value (million dollars)	share of total agriculture and food Iran's import (%)
10059010	Animal's corn	**6,458**	**1,413**	**18**
12019000	Other Soybeans, even chopped	**2,084**	**909**	**11**
10063000	Semi-milled or wholly milled rice, whether or not polished or glazed	**839**	**690**	**9**
00 10 0803	Plantains	**609**	**469**	**6**
10011990	Other Animal wheat	**1,429**	**366**	**5**
02023090	Other Boneless cuts of bovine animals, frozen	**84**	**342**	**4**
17011300	cane sugar	**639**	**308**	**4**
15119010	Palm oil ،R.B.D	**415**	**300**	**4**
10039000	Other Barley	**1,333**	**265**	**3**
15121100	Crude Sunflower-seed or safflower oil and fractions thereof	**283**	**253**	**3**

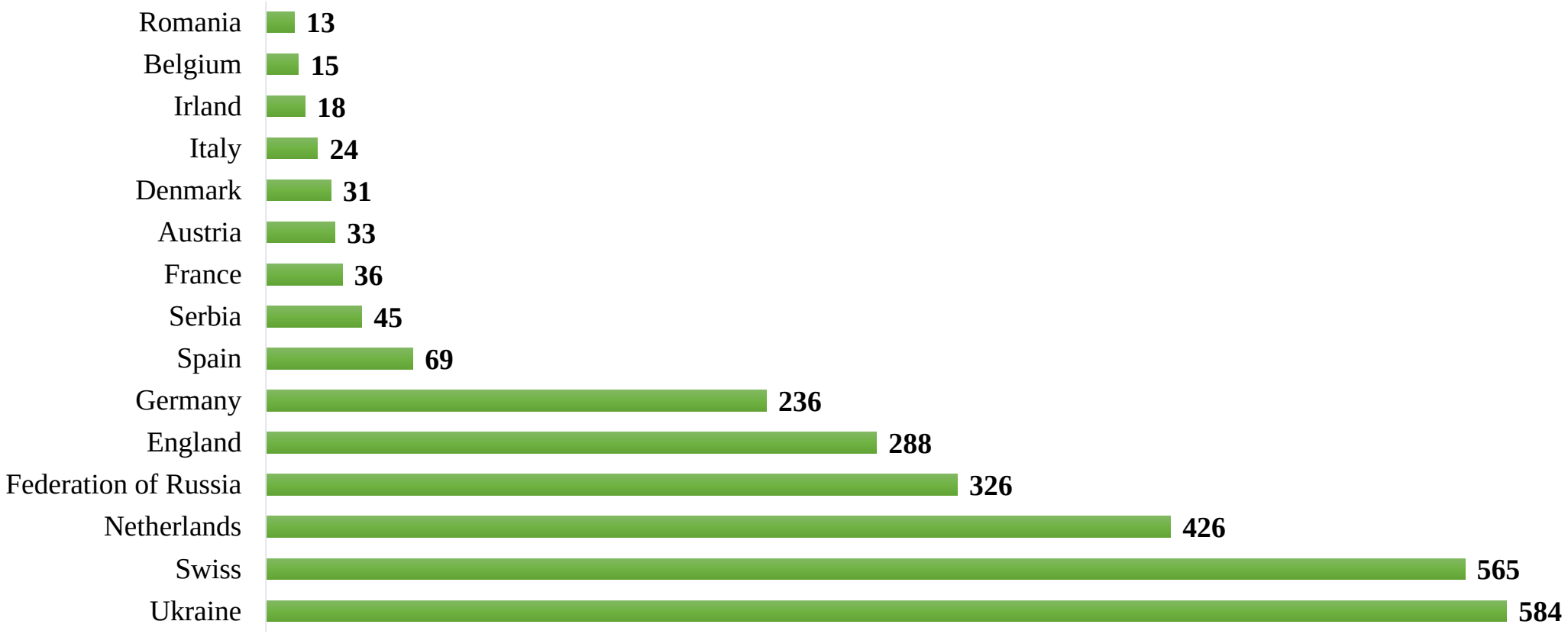
Source : Islamic Republic of Iran Customs

Iran's Agriculture and food import from Europe has been declined to 14% in 2016



Over 57% of Iran's import in agriculture and food from Europe is imported from Ukraine, Swiss, Netherlands.

Top major origins in Iran' import agriculture and food from Europe (million dollars)**, 2016**



Source : Islamic Republic of Iran Customs

Top ten major commodities consist of almost 87% of total Iran's import in agriculture and food from Europe.

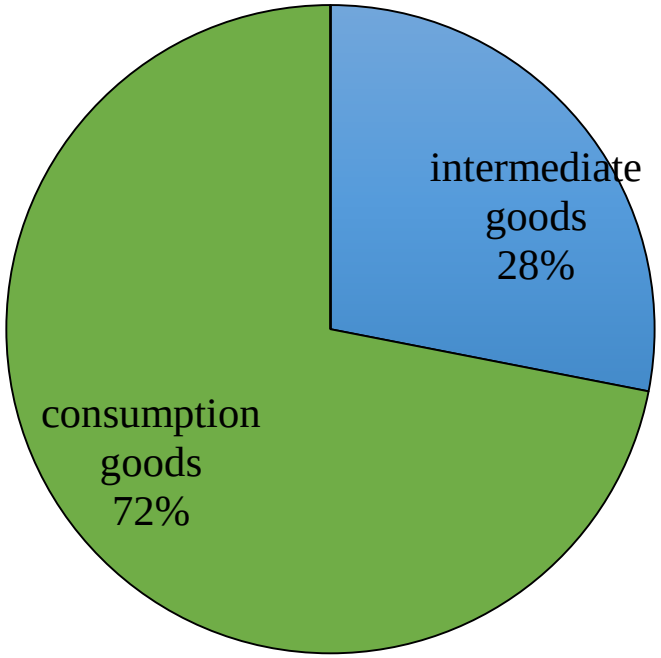
Top major commodities in Iran's import in agriculture and food import from Europe, 2016

Tariff Code	Description	Quantity (thousand of tons)	Value (million dollars)	share of total agriculture and food Iran's import from Europe (%)
10059010	Animal's corn	**4,883**	**1,050**	**38**
12019000	Other Soybeans, even chopped	**1,113**	**495**	**18**
10011990	Other Durum except Animal wheat	**1,031**	**258**	**9**
15121100	Sunflower-seed or safflower oil and fractions thereof	**219**	**193**	**7**
10039000	Other Barley except Seed	**639**	**133**	**5**
21069080	Complementary food	**3**	**73**	**3**
17011300	Raw sugar not containing added flavoring or coloring matter from cane sugar	**110**	**54**	**2**
15071000	Crude oil, whether or not degummed from Soya-bean	**60**	**49**	**2**
12099100	Vegetable seeds	**1**	**48**	**2**
12051000	Rape or colza seeds with low erucic acid	**79**	**39**	**1**

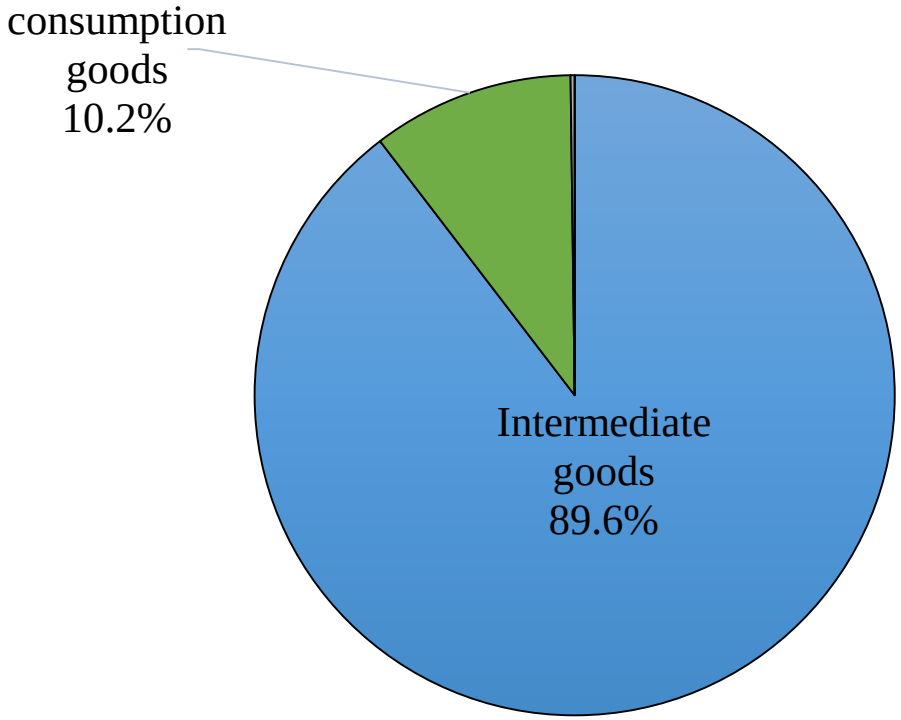
Source : Islamic Republic of Iran Customs

Composition of Goods in Iran- Europe trade

Iran's Export to Europe Composition by basic Classes of Goods in Agriculture and Food-2016



Iran's Import from Europe Composition by basic Classes of Goods in Agriculture and Food-2016

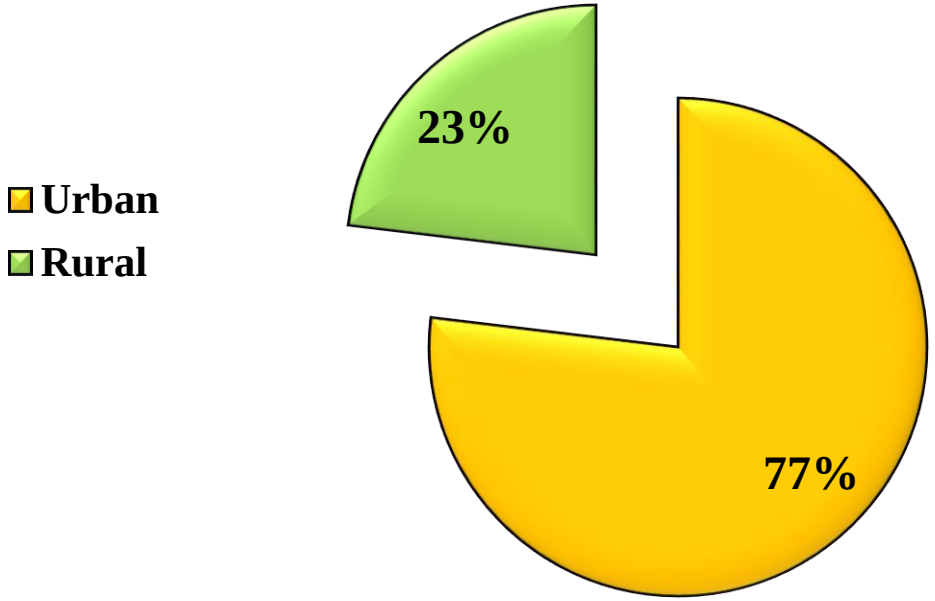


Source: United Nation and research calculation

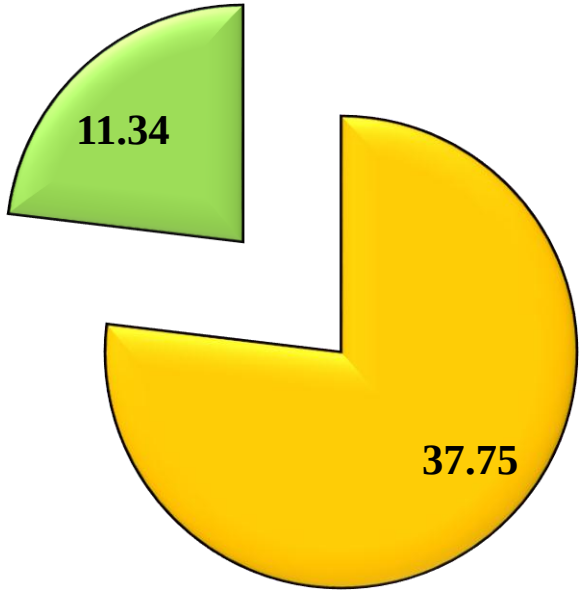
Consumption

An attractive and growing food market- $49 billion

Expenditure of Iranian households for food and beverages -Percent 2016

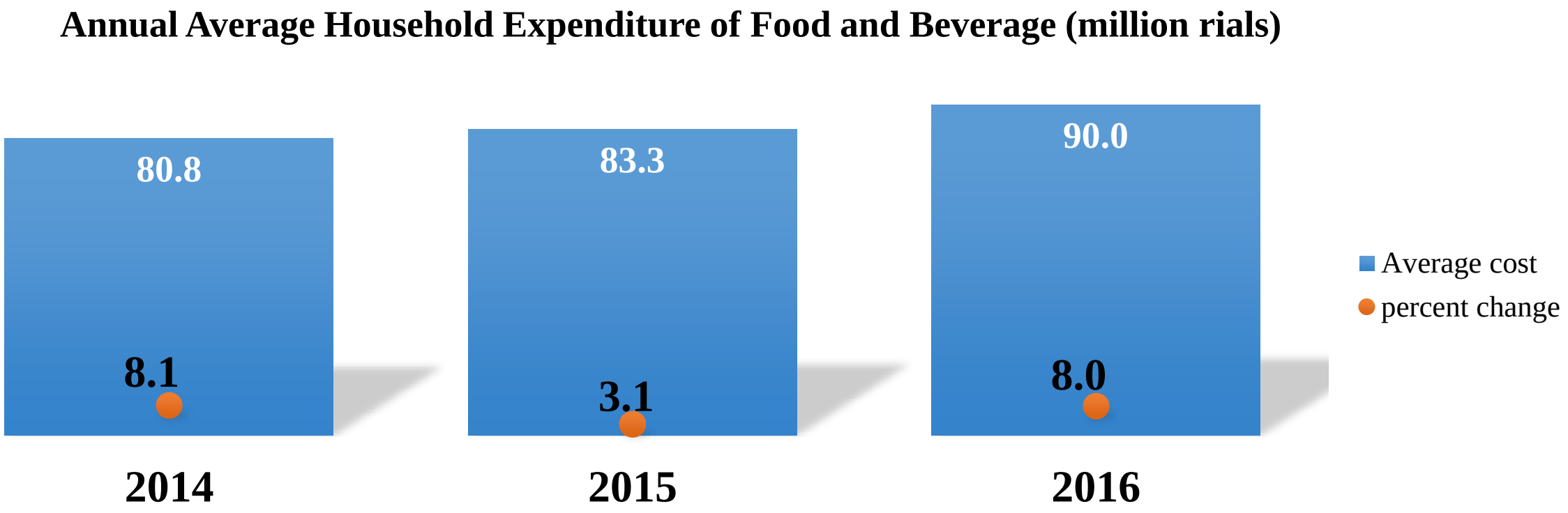


Expenditure of Iranian households for food and beverages - $ billion2016



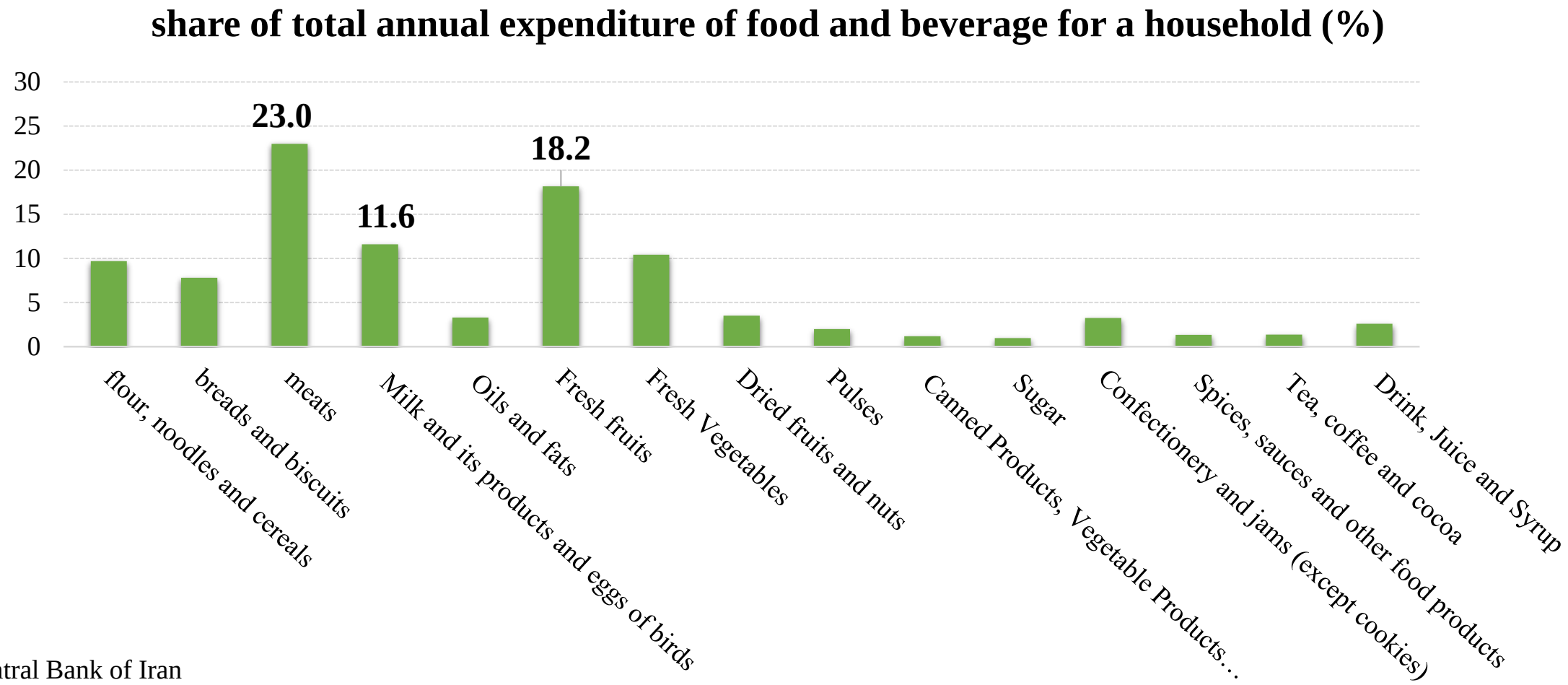
Source: Iran Statistic Center

The annual average expenditure of food and beverages for an urban Iranian household has been increasing between 2014 to 2016.



Source: Central Bank of Iran

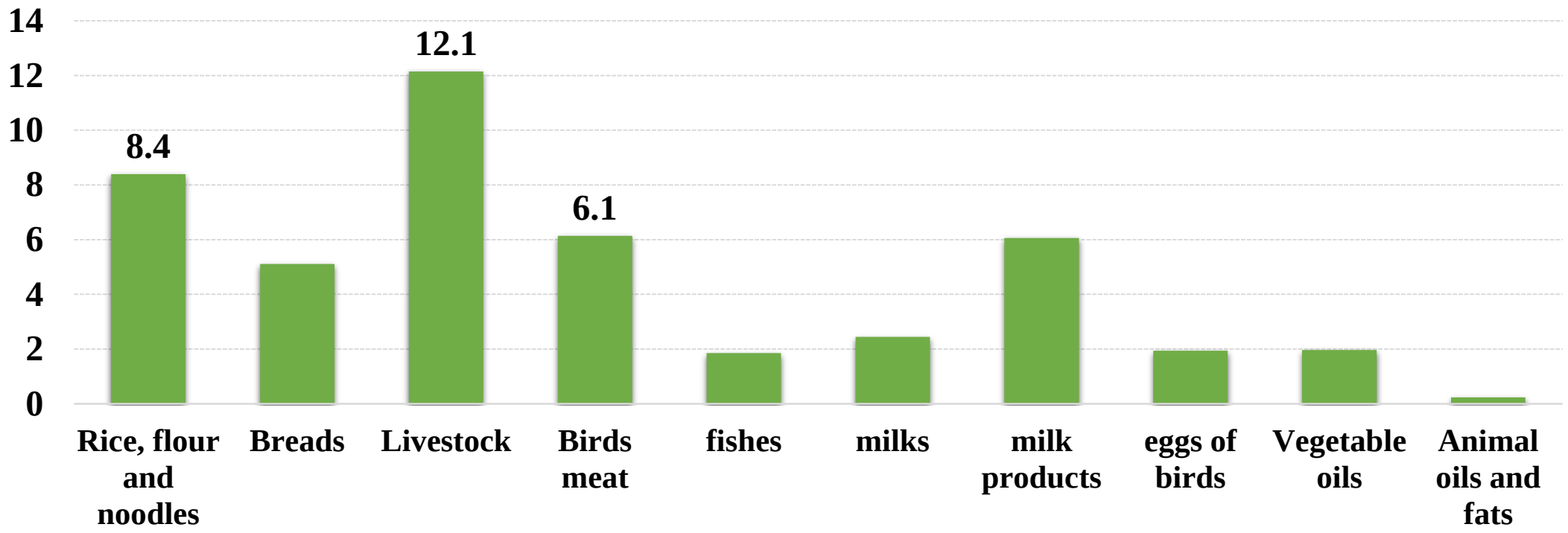
The predominance of Meat, Fresh fruits and Dairy products in the food and beverage expenditure of households-2016



Source: Central Bank of Iran

The annual average expenditure of “livestock”, “Rice, flour and noodles” and “Birds meat” for an Iranian household in 2016 is almost 12.1 million rials , 8.4 million rials and 6.1 million rials; respectively.

Annual household expenditure in selected products (million rials)-2016



Source: Central Bank of Iran