

# The Role of Government in Agriculture

The Ministries of Agriculture, Industry and Mining, Finance, Planning and Development Cooperation, Trade, and Water Resources have significant influence in the agriculture sector.

The government's National Development Strategy (NDS) 2007-2010 (dated March 2007) lays out a market-driven development strategy for Iraq. One of the four main pillars of the NDS is revitalization of the private sector and the strategy outlines in some detail the structural reforms in the agriculture sector that are required to bring this about.

## Public Distribution System:

Through its Public Distribution System (PDS), the Government of Iraq provides virtually every Iraqi household with basic commodities in amounts calculated to be sufficient to meet 100% of each household member's minimum daily caloric needs. The monthly basket includes: wheat and flour, sugar, rice, cooking oil, tea, milk, lentils, soaps, and detergents.

The Government of Iraq released a draft 'road map' for reforming the PDS, which proposes phasing out the current practice of providing a blanket food ration to all citizens of Iraq. Iraq will need to boost its domestic food production dramatically in order to institute this phase out.

## State Owned Enterprises (SOEs):

Currently, the Ministry of Agriculture controls several SOEs that provide agricultural production inputs such as fertilizers and agricultural chemicals. The Ministry of Industry and Minerals (MIM) also controls several companies that process agricultural products. These include dairies, cattle feedlots, sugar refineries, vegetable oilseed extraction and processing facilities. The MIM also manages SOEs that produce agricultural inputs, including fertilizer plants and an equipment assembly plant. A number of rehabilitation investment opportunities exist at various agriculture SOEs throughout the country.