



# International Agricultural Trade Report

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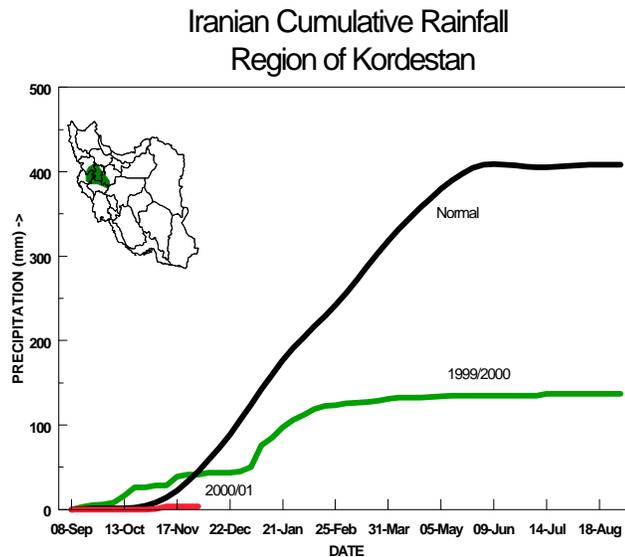
## Iran's Grain Imports to Rise as Drought Threatens Crops

### Summary

Continued dry weather threatens Iran's new crop prospects and raises the odds of expanded grain imports over the next 6 - 12 months.

### Drought Impacts Winter Crops

For the second consecutive year dry weather and lack of soil moisture has severely impacted winter wheat and barley planting, and the absence of rainfall will shortly begin to affect pastureland. Last year, severe drought wiped out a third of the winter-planted wheat and barley crops and much of the rain-fed pastureland. The wheat crop, for example, turned out to be the smallest in a decade at only 8.5 MMT.



### Which Could Boost Demand for Grains

With annual domestic wheat consumption estimated at 16 - 17 MMT, a stocks draw down will only partially offset last year's production shortfall. Wheat imports are currently estimated to more than double to 6.5 MMT in 1999/2000, with 5.2 MMT already purchased from Canada, Australia and the EU for delivery through January 2000. However, the specter of an impending second crop shortfall and low stocks could further boost wheat imports over the next several months, as well as import needs for the 2000/2001 July/June year. Iran's port facilities have off loaded 700 - 900,000 tons of wheat in past months, so there should not be a physical constraint to bigger annual imports.

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