



# The Future of Iraq's Agribusiness From Challenges to Opportunities

# Executive Summary

By 2030, Iraq will face severe dehydration in key regions, shrinking cultivated lands and tightening the grip on food security. The FAO's 2025 GIEWS Brief already reports below-average rainfall and soil moisture deficits constraining yields <sup>1</sup>, while the World Bank warns that recurrent droughts and rising temperatures will erode resilience unless urgent adaptation is made <sup>2</sup>. Chatham House (2025) highlights how upstream damming and climate change are drying rivers and marshes, accelerating desertification <sup>3</sup>. Reuters reporting from late 2025 confirms the human impact: farmers in Najaf are leaving fields unplanted, jeopardizing Iraq's ambition for wheat independence <sup>4</sup>. These insights, combined with the voices captured in eight panel discussions with farmers, entrepreneurs, and experts, paint a vivid picture: Iraq's food and agriculture sector is not only confronting today's structural weaknesses but is also racing against time to secure tomorrow's food systems. The path forward demands innovation, resilience, and bold initiatives, because the stakes are nothing less than the nation's food security and economic stability.

Yet, Iraq's agrifood sector is equally a landscape of opportunity. Rising demand for local produce, untapped arable lands, and the country's youthful workforce create fertile ground for investment and innovation. Strategic capital in irrigation technologies, climate-smart farming, and value-chain development can transform challenges into engines of growth. With targeted support, small and medium enterprises, youth-led ventures, and rural cooperatives can become drivers of diversification, job creation, and competitiveness. Unlocking these opportunities would not only reduce import dependency but also position Iraq as a regional hub for sustainable agriculture and food security.

Against this backdrop, the Wifra program is introduced as an initiative to support Iraq's agriculture and food sector through building community and collective learning. Rather than prescribing ready-made solutions, Wifra convenes farmers, entrepreneurs, and experts to exchange experiences, surface challenges, and co-create practical insights. The information consolidated in this report is drawn directly from the voices of these panel discussion speakers, who represent the expertise and entrepreneurial spirit shaping Iraq's agrifood future. By channeling these perspectives to decision makers and investors, Wifra bridges grassroots realities with policy and investment action, laying the foundation for a more resilient and opportunity-driven agricultural ecosystem.

## List of Abbreviations

| Abbreviation | Description                              |
|--------------|------------------------------------------|
| EDF          | Enterprise Development Fund              |
| IOM          | International Organization for Migration |
| ITC          | International Trade Center               |
| SME          | Small and Medium Enterprises             |
| FGD          | Focus Group Discussion                   |
| FMCG         | Fast-Moving Consumer Goods               |
| AI           | Artificial Intelligence                  |
| MGO          | Methylglyoxal                            |
| NGO          | Non-Governmental Organization            |
| TRD          | Transition and Recovery Division         |
| KYC          | Know Your Customer                       |
| NRC          | Norwegian Refugee Council                |
| USD          | United States Dollar                     |
| IQD          | Iraqi Dinar                              |
| WTO          | World Trade Organization                 |

## Glossary of Terms

| Term                                | Description                                                                                                                                                                                                                                 |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Carbon Credit                       | A tradable certificate representing the reduction or removal of one metric ton of carbon dioxide (CO <sub>2</sub> ) emissions, often used by companies to offset their environmental impact.                                                |
| Fast-Moving Consumer Goods (FMCG)   | Everyday products with high turnover, low unit cost, and short shelf life. They are purchased frequently and consumed quickly, such as packaged foods, beverages, toiletries, cosmetics, cleaning supplies, and over-the-counter medicines. |
| Know Your Customer (KYC)            | A compliance process used by financial institutions to verify the identity of clients and prevent fraud or money laundering.                                                                                                                |
| MGO (Methylglyoxal)                 | A naturally occurring compound found in Manuka honey, responsible for its antibacterial and medicinal properties.                                                                                                                           |
| Quality Management                  | A systematic approach to ensuring that products and services meet defined standards of safety, consistency, and consumer expectations.                                                                                                      |
| Regenerative Agriculture            | A farming approach that restores soil health, enhances biodiversity, and optimizes water use, aiming for long-term sustainability and resilience.                                                                                           |
| Small and Medium Enterprises (SMEs) | Businesses with limited scale in terms of employees and revenue are often considered vital for job creation and economic diversification.                                                                                                   |
| Value Chain                         | The full range of activities required to bring a product from conception to end use, including production, processing, distribution, and marketing.                                                                                         |

## Objectives

- Establish an inclusive dialogue platform that unites agribusiness leaders, entrepreneurs, government institutions, and ecosystem actors, enabling structured exchanges that bridge communication gaps and foster mutual understanding of sector realities.
- Identify and document real market needs and challenges facing Iraq's agribusiness and food sector, ensuring discussions reflect on-the-ground conditions rather than theoretical assumptions.
- Support evidence-based policymaking by translating stakeholder insights into actionable recommendations that reflect actual sector demands.

## Methodology

The Wifra program relied primarily on qualitative data gathered through panel discussions. Most insights were drawn from expert speakers who shared their perspectives during the sessions, complemented at times by contributions from the audience. This approach ensured that the findings reflect lived experiences and sector realities rather than theoretical assumptions.

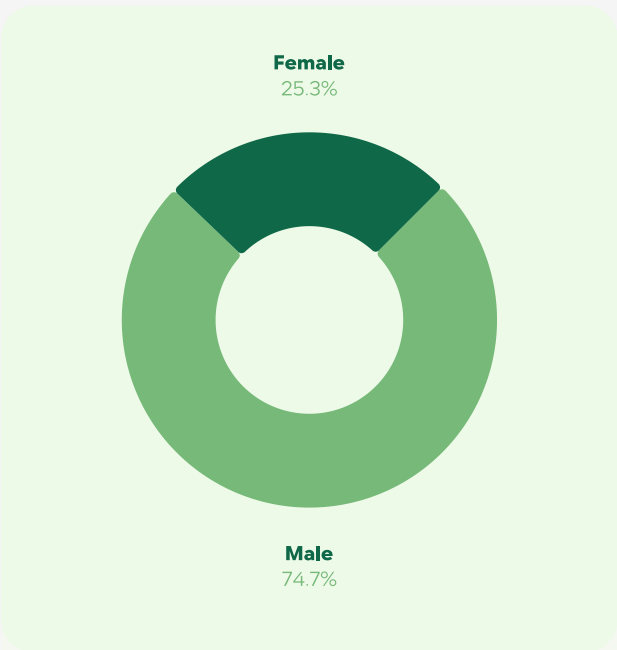


# Participant Demographics and Profile

The participant profile reflects both concentration and diversity. The majority of attendees originated from Baghdad Governorate, underscoring Baghdad's central role in shaping Iraq's agrifood dialogue while highlighting the need for broader geographic inclusion in future engagements.

## Gender Distribution

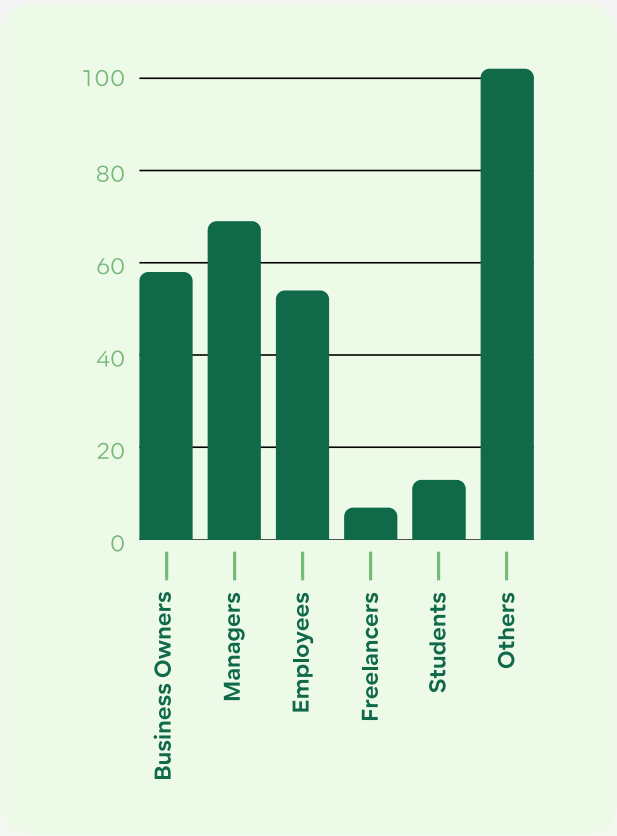
The following visualization highlights the gender distribution among attendees, underscoring patterns of participation.



The chart presents the gender composition of participants. While male attendees constituted the majority, female participation was notable, reflecting a growing presence of women in agriculture and food systems. This pattern highlights the importance of creating inclusive spaces that sustain and expand women's engagement in the sector.

## Professional Positions

To better understand the composition of the participant base, the chart below illustrates their professional positions.



The chart captures the professional composition of participants, reflecting a broad spectrum of roles across the agrifood sector. Business owners and managers formed the core of the dialogue, ensuring the presence of decision-makers, while employees contributed perspectives from within established organizations. The inclusion of students and freelancers highlights the sector's appeal to youth and independent actors, and the diversity of other profiles enriched the discussions with varied experiences.

Together, these demographics demonstrate a participant base that is leadership-driven, inclusive, and professionally diverse, providing a solid foundation for dialogue that bridges current expertise with future talent across Iraq's agrifood sector.

## 1. Regenerative Agriculture: A New Mindset for Agriculture in Iraq

Regenerative agriculture is a strategic approach that helps farmers adapt to limited resources and build more resilient, sustainable systems.

In this context, regenerative agriculture emerges as a modern approach focused on rehabilitating land rather than exhausting it. This model is built on improving soil health, optimizing water use, and relying on natural fertilization. But can such an approach truly enhance crop quality while reducing costs at the same time? Evidence suggests that it can, making it a promising solution for farmers.



This panel discussion, moderated by Mr. Aser Hasan, CEO of Al Tazej Fields Company and founder of Alwa Al Rashid, and featuring Maitham Haleem, founder of Food Forest, as the main speaker, will explore how this model can be applied in Iraq to strengthen the national food system, unlock new opportunities for sustainable growth and innovation, and generate long-term economic impact.

**Moderator:** What makes regenerative agriculture a smarter, more future-proof approach for investors and farmers alike?

**Mr. Maytham Haleem:** Regenerative agriculture is built on the principle of working with nature rather than exhausting it. Instead of depleting the land, this approach focuses on gradually improving soil health and strengthening the surrounding ecosystem. It begins with enriching the soil through selected crops, then introducing biodiversity step by step. Flexibility is key: you might start by planting a shade-providing tree such as sea buckthorn, followed by more resilient species, and eventually integrate long-term regenerative plants. The entire model operates on the philosophy of “start small, think big, expand smart,” enabling sustainable growth without overwhelming resources.

**Moderator:** What are the biggest natural resource challenges a new farmer in Iraq should be aware of?

**Mr. Maytham Haleem:** One of the most critical challenges is water scarcity. Many agricultural areas do not have access to nearby rivers and shallow wells which are not usually affordable. Groundwater lies at depths of more than 1,500 meters, making extraction both costly and uncertain, especially with the risk of contamination. In addition, traditional irrigation practices, such as daytime sprinkler systems, cause high evaporation rates and lead to significant water loss. These combined factors create a difficult environment for sustainable agriculture unless modern and efficient methods are adopted.

## The future of Iraq's agribusiness



**Moderator:** What practical solutions can help overcome these limitations and support sustainable farming?

**Mr. Maytham Haleem:** practical approach begins with adopting drip irrigation and operating it only at night, which dramatically reduces evaporation and preserves water. It is also essential to select crops and trees that naturally tolerate drought, including desert species and supportive companion plants that improve the ecosystem. Finally, enhancing soil health through mixed cropping and gradually increasing the organic content of the soil helps create a more resilient agricultural environment. These steps work together to build a sustainable system despite limited natural resources.

**Moderator:** How can a farmer treat soil and plants in a modern, sustainable way without relying on chemical fertilizers?

**Mr. Maytham Haleem:** Traditional farming has made many plants almost "addicted" to chemical inputs, fertilizers and pesticides gradually weakening their natural immunity. Regenerative agriculture, on the other hand, gradually weans plants off these chemicals while rebuilding healthy soil that can nourish them naturally. Over time, plants may only need about 20% of organic fertilizer because they become stronger and more self-sufficient. The core idea is to transform the soil from a weak, dependent medium into a resilient ecosystem that supports itself.

**Moderator:** What techniques help protect plants naturally without using pesticides?

**Mr. Maytham Haleem:** Companion planting is one of the most effective natural methods for reducing pests without chemical sprays. For example, planting parsley attracts ladybugs, which feed on harmful pests. Similarly, crops like radish can be used as "decoys" to draw insects away from main crops such as tomatoes. Using this approach, the field becomes a balanced system where plants and beneficial insects work together to minimize damage, rather than relying on chemical solutions that stress both plants and soil.

**Moderator:** How can farmers and investors effectively market their organic products in Iraq?

**Mr. Maytham Haleem:** Although awareness of organic products in Iraq is still limited, the market holds significant potential. Successful marketing begins with educating consumers about the benefits of natural, chemical-free products before promoting them. Building strong relationships with customers is also crucial, and one effective strategy is implementing a pre-order system, which ensures consistent sales and fosters loyalty. Additionally, instead of selling raw produce alone, it's wise to offer ready-made product packages, such as vegetable baskets or simple processed goods. This approach not only adds value to the products but also enhances the overall brand experience, making it easier to attract and retain customers.

**Moderator:** What qualifications and support are needed to start a successful regenerative agriculture project in Iraq?

**Mr. Maytham Haleem:** Launching a regenerative agriculture project requires practical guidance more than theoretical advice. Ideally, you need a hands-on agricultural consultant who can train you in real-life techniques rather than just providing recommendations. Currently, Iraq lacks institutions fully equipped to support regenerative farming projects, so gaining experience from abroad through Australian or American companies or self-learning via scientific books and resources can be invaluable. Consultants play a critical role not only in farming techniques but also in financial planning, resource management, and marketing. Today, a successful farmer often needs to wear many hats simultaneously, acting as a farmer, carpenter, marketer, technician, and hospitality provider to ensure the farm thrives both practically and economically.

**Moderator:** What is the Carbon Credit initiative, and how can it benefit Iraqi regenerative farmers?

**Mr. Maytham Haleem:** The carbon credit initiative offers a new revenue opportunity for farmers. Simply, companies that need to offset a certain amount of carbon emissions can purchase Carbon Credits generated by farmers who reduce or reserve carbon dioxide through their land. This process can occur across multiple countries, not just within Iraq.

Iraq is beginning to engage in Carbon Credit projects in collaboration with countries like Canada. Regenerative farmers have the potential to earn Carbon Credits through practices such as large-scale tree planting and sell them to international companies looking to reduce their carbon impact. Such projects may soon lead to the establishment of Carbon Credit offices in Iraq, providing farmers with an additional income stream that does not rely solely on selling crops.

### Audience Q&A and Discussion:

**Audience Member:** Why has the nutritional and market quality of fruit declined despite higher productivity?

**Mr. Maytham Haleem:** The excessive use of chemical fertilizers, such as urea, has significantly reduced the nutritional value of fruit. A lack of biodiversity has weakened the soil, making plants more susceptible to chronic diseases.

Over time, the soil has lost its biological balance, leaving plants dependent on artificial inputs, almost like an addiction, relying entirely on industrial support rather than natural resilience.

**Audience Member:** How can we improve plant resistance to diseases and pests without using pesticides?

**Mr. Maytham Haleem:** Enhancing plant resilience begins with increasing biodiversity on the farm, introducing a mix of trees, legumes, herbs, and flowers. This variety creates a richer ecosystem that naturally supports beneficial predators and competitors to control pests. It's also important to allow some wild herbs to grow instead of eliminating them entirely, as they contribute to a balanced environment and help strengthen plant immunity naturally. By working with nature rather than against it, farmers can reduce dependency on chemical pesticides while improving overall crop health.

**Audience Member:** Is it possible to improve soil health over the long term?

**Mr. Maytham Haleem:** Yes, it is, but the key lies in supporting the microorganisms in the soil, such as bacteria and fungi. A tree alone cannot transform the soil; it's the microorganisms connected to its roots that drive real change. The most effective approach combines planting deep-rooted trees with nurturing the living components of the soil, creating a self-sustaining system that improves fertility and resilience over time.

**Audience Member:** How are cutting-edge technology and AI revolutionizing regenerative agriculture?

**Mr. Maytham Haleem:** Artificial intelligence and modern technologies are transforming regenerative agriculture by providing precise, data-driven insights. Daily monitoring of temperature, humidity, and plant health allows farmers to understand their crops like never before. AI can assess the overall condition of the farm and optimize smart water distribution, ensuring resources are used efficiently. Satellites and drones further enhance oversight, enabling the analysis of large fields with accuracy. Additionally, programmable robots, such as those imported from China, can reduce human error and streamline labor-intensive tasks. Ultimately, regenerative agriculture thrives on the integration of technology with nature, moving beyond traditional manual labor to create a more efficient, resilient, and sustainable farming system.

## 2. The Honey Products Journey: From the Hive to the Consumer

At a time when Iraqi consumers are seeking natural, trustworthy products that combine real health benefits with high quality, honey stands out as one of the oldest foods to maintain its value throughout history. But the question remains: How does honey evolve from a traditional product sold in simple ways into a health-driven brand capable of competing in both local and global markets?

In this session, we host Mr. Kazem Mohammed, CEO of Al-Bash Company and one of the key figures who introduced authentic Manuka honey to Iraq, to uncover the journey of transforming this product from a basic food item into a successful commercial venture built on innovation and premium quality.

We dive into the world of honey production from a new angle: How does professional packaging influence consumer trust? How can strategic hive distribution, aligned with natural resources, enhance honey quality? And what role does educational marketing play in generating new demand and strengthening the position of Iraqi products?



**Moderator:** Why did you choose the honey industry? How did it all begin?

**Mr. Kazem Mohammed:** I didn't enter the honey field just for business or profit. I stepped into it seeking real benefits for myself and my family, especially my children, who used to fall sick frequently, leading to constant visits to doctors.

I began researching the benefits of honey and wanted to verify its quality. During my search, I discovered specialized laboratories capable of analyzing honey to determine its purity and effectiveness. I learned that the more natural the honey is, the lower the quantity produced, but its therapeutic value becomes significantly higher, especially when it contains elevated levels of active compounds like methylglyoxal (MGO).

That was the beginning of my journey. My passion grew because my goal wasn't just to sell a product; it was to deliver real value to people through guaranteed, natural honey. I started focusing on quality, not quantity, because the purpose isn't simply selling. The real goal is ensuring that the honey provides genuine benefit to people.

**Moderator:** Can a Local Brand Go Global?

**Mr. Kazem Mohammed:** Yes, especially when it offers real solutions. Scientific studies link many diseases, including cancer, to bacterial buildup. Manuka honey, with its high MGO (methylglyoxal) levels, is both preventive and therapeutic. The vision is to shift honey's perception from a luxury to a daily health necessity.

**Moderator:** What are the different Manuka honey concentrations, and how do I choose the right one?

**Mr. Kazem Mohammed:** Manuka honey comes in several therapeutic levels, each suited for a different need. The MGO 83 level is ideal for daily immune support for both children and adults. The MGO 263 concentration is more suitable for mild inflammations and can help with digestive issues such as colitis. For stronger therapeutic purposes, MGO 514 is highly effective, especially for stomach bacteria, severe inflammation, and chronic digestive problems.

**Moderator:** Is it true that Manuka honey comes only from New Zealand?

**Mr. Kazem Mohammed:** Yes. Authentic Manuka honey is produced exclusively in New Zealand, because the Manuka tree grows naturally only there. Any genuine Manuka product must be certified and laboratory-tested in New Zealand to ensure its authenticity and purity.

**Moderator:** How has Manuka honey impacted real people?

**Mr. Kazem Mohammed:** One of the most emotional stories I've received came from the family of a child undergoing chemotherapy. His immunity had dropped immensely after a treatment cycle. When they started giving him Manuka honey, his immune levels rose noticeably and quickly. Another story came from a beekeeper in Samawah who tried it for his son and witnessed results he hadn't seen with any other type of honey. These experiences highlight the powerful, real-world impact of high-quality Manuka honey on people's health.

**Moderator:** What's the most effective marketing approach today?

**Mr. Kazem Mohammed:** Your customers are your best marketers. Their genuine experiences, unfiltered feedback, and even simple, spontaneous videos resonate more deeply than any highly produced campaign. Authentic voices build trust and trust sells more than any advertisement ever could.

**Moderator:** What should my marketing content look like if I only have 500\$?

**Mr. Kazem Mohammed:** Allocate it between Facebook and Instagram, focusing on:

- Real customer experiences
- Unscripted, authentic videos
- Educational content about the benefits of honey

**Moderator:** Have you partnered with doctors to promote honey as a health product?

**Mr. Kazem Mohammed:** Yes, we tried establishing collaborations with doctors. I even signed a contract with a center in Al-Harithiya, which cost over \$40,000. Unfortunately, many doctors remain unconvinced about natural products, and some pharmacies still view them purely as commercial commodities rather than therapeutic options.

**Moderator:** What is the ultimate goal of the Al-Bash honey project?

**Mr. Kazem Mohammed:** The goal is to transform honey from a luxury into a daily necessity. We aim to build a global Iraqi brand that serves as a trusted reference for people seeking authentic medicinal honey, not only for customers but also for doctors to recommend it.

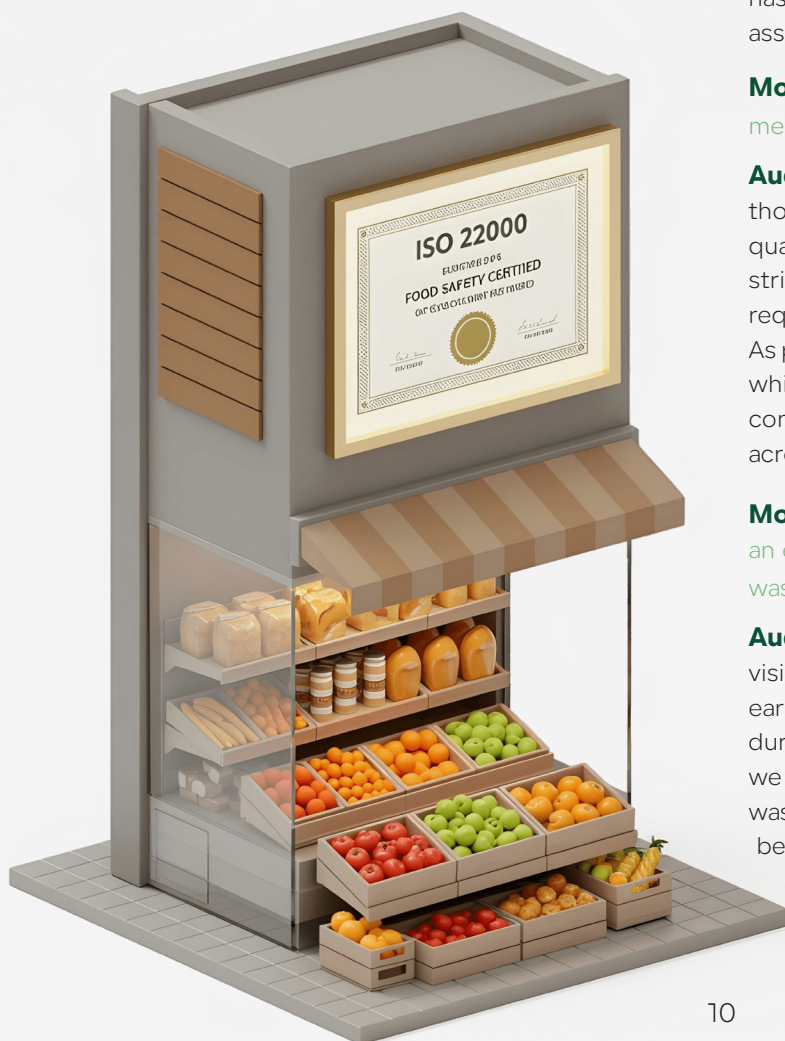


### 3. Quality management: The turning point for every entrepreneurial project

In today's competitive food and agriculture sectors, quality management has become far more than a tool for improving products; it is now a strategic pathway to building trust, driving growth, and standing out in the market.

This discussion session brought attention to quality as a key driver for entrepreneurial success, connecting business owners and startup leaders with certified quality management experts. Participants heard real-life success stories from Iraqi projects that applied quality principles and achieved remarkable performance transformations.

The session was conducted as a Focus Group Discussion (FGD), bringing together business owners alongside graduates of the Quality Heroes program. Its purpose was to highlight the achievements of these graduates and create opportunities to connect them with the private sector.



At the outset, Wasan Bahir, the program implementer, delivered a brief three-minute presentation to introduce the initiative. Following this, the dialogue transitioned into an interactive FGD where all participants actively contributed, sharing experiences, challenges, and practical solutions related to quality management in entrepreneurship.

The discussion was moderated by Mr. Aser, CEO of Al-Tazej Fields, who guided the conversation to ensure diverse perspectives were heard and actionable insights were generated.

**Moderator:** What Determines Product Quality from the Consumer's Perspective?

**Audience Member:** Appearance, cleanliness, and freshness are the first qualities consumers notice. For them, quality simply means that a product meets their expectations in terms of look, smell, taste, and safety. Consumers rarely question whether each item has been tested; they assume that only safe, quality-assured products make it to their hands.

**Moderator:** How do you ensure that every product meets high-quality standards?

**Audience Member:** Every product undergoes thorough inspection using chemical tests and quality control devices to verify compliance with strict standards. Any item that fails to meet these requirements is immediately set aside and documented. As part of our process, we follow the "Thirty Six" model, which involves detailed assessment procedures and continuous monitoring to maintain consistent quality across all products.

**Moderator:** How can a simple training habit transform an entire production line, boosting accuracy, reducing waste, and elevating quality across the board?

**Audience Member:** The impact of training becomes visible from the very first skill you apply. One of the earliest tools we adopted was structured note-taking during training sessions, and its effect was immediate; we could track performance more accurately, analyze waste, and understand our cost flow. Monitoring became sharper, decision-making became faster, and the entire workflow grew more disciplined.

Quality, we learned, isn't the job of a single employee, it's a collective responsibility that demands attention to detail across the entire team. And above all, we operate with one core belief: even the smallest improvement is worth implementing if it adds value.

**Moderator:** How does operational simplicity translate into lower costs and better long-term performance?

**Audience Member:** Because sustainability begins with simplicity. When operational processes are streamlined, they become easier to manage, more cost-effective, and far more efficient. Simplified systems reduce unnecessary expenses and give businesses the flexibility and speed they need to adapt and grow. Even small operational adjustments, when properly documented and evaluated, provide valuable financial insights that drive continuous improvement. In the long run, it's the disciplined practice of keeping things simple and tracking every detail that builds a truly sustainable and high-performing operation.

**Moderator:** What hidden challenges do kitchen operations face when it comes to something as basic as vegetables?

**Audience Member:** One of the most persistent issues is the inconsistency in vegetable quality, a problem that usually begins long before ingredients reach the kitchen. Weak inspection processes at earlier stages of the supply chain allow defects to slip through, and once inside the kitchen, a lack of personal hygiene and discipline among staff can amplify the problem. Effective quality management always starts at the individual level; cleanliness, accountability, and proper handling are the foundation of any safe and reliable kitchen operation.

**Moderator:** Why does quality matter so much for restaurant owners?

**Audience Member:** Because a single low-quality product can erase years of effort in seconds. One bad experience is enough to damage a restaurant's reputation, no matter how much was spent on branding, design, or marketing. Without strict oversight of suppliers and ingredient sources, all that investment is at risk. Quality assurance isn't just a process; it's the backbone of customer trust and the key to building a business that lasts.

**Moderator:** Who Are the Main Actors in the Agricultural Product Supply Chain, and Why Do They Matter?

**Audience Member:** Three key stakeholders shape the journey of agricultural products from the farm to the consumer:

- **The Government**
- **The Manufacturer or Supplier**
- **The Consumer**

**Moderator:** What is the Hidden Cost of Iraq's Technical Training Gap on Food Safety and Market Competitiveness?

**Audience Member:** In Iraq, a significant gap persists in the availability of technical and scientific training. Which affects critical areas that directly influence the safety and quality of agricultural products, including:

- **Pesticide testing and proper residue analysis**
- **Compliance with modern agricultural quality standards**
- **Safe and efficient transportation and distribution protocols**

These gaps pose challenges for producers, regulators, and consumers, ultimately impacting food safety and market competitiveness.

**Moderator:** How Do Weak Testing Systems Jeopardize Food Safety in Iraq?

**Audience Member:** Food safety challenges in Iraq's agricultural sector run deeper than just farm practices. Nearly 40% of the entire production chain depends directly on the quality of raw crops.

Globally, farmers and regulators routinely test crops for microbial contamination, water quality, and irrigation safety standards.

Locally, however, critical data on irrigation water contamination is often missing, creating blind spots that threaten both public health and market reliability.

**Moderator:** Could better-informed consumers be the key to safer food in Iraq?

**Audience Member:** Many commonly sold products in the local market contain formalin, a toxic and carcinogenic substance, yet are distributed with little oversight. Addressing this requires collaboration between the private sector and government, fostering transparent discussions about these risks. One practical solution is the creation of a Food Quality Association to educate the public and promote safe consumption. Scientific institutions also have a vital role to play, particularly by leveraging social media to inform and protect consumers, ensuring that public health becomes a shared responsibility across society.

#### 4. Closing the Payment Gap: The New Financial Lifeline for Iraq's Food Sector

The food and Fast-Moving Consumer Goods (FMCG) market in Iraq continues to struggle with one of its most pressing financial challenges: delayed payments. These delays place heavy pressure on suppliers, threaten the stability of supply chains, and limit the growth of small and medium businesses. With no effective liquidity-management solutions in place, many suppliers are forced into financial bottlenecks that slow operations and increase risk.

Amid this gap, First Finance introduces an innovative financing model that provides instant payments to suppliers while the company manages the collection process from the market. This approach offers a practical lifeline for sustaining operations and strengthening the sector.

This session brought together entrepreneurs and business owners in the food and agriculture sectors with one of Iraq's leading economic experts, Mr. Manar Al-Obaidi, CEO of First Finance. It is an opportunity to explore viable solutions, understand market dynamics, and exchange real-world experiences that can help reshape the future of supply chain financing in Iraq.

**Moderator:** Where did the idea of financing between the market and the supplier come from, and how does it differ from traditional financing?

**Mr. Manar Al-Obaidi:** The idea emerged from the challenges faced by suppliers and markets, particularly in the food sector. Al-Oula Financing Company is one of only two officially licensed companies in Iraq to fund small and medium enterprises (SMEs). The Central Bank of Iraq identified a significant gap in this sector and responded by launching a special financing license to support such projects. Al-Oula has funded over 5,000 projects, demonstrating its success in this field. What sets this type of financing apart is that it does not rely solely on traditional guarantees such as land ownership or government employee salaries but instead focuses on thoroughly studying the project itself. According to estimates by the International Finance Corporation (IFC), there is a financing gap of \$63 billion in Iraq, highlighting the urgent need for flexible financing options that are willing to take on greater risk compared to traditional methods.

**Moderator:** How does the company select which projects to fund, and what makes its evaluation process unique?

**Mr. Manar Al-Obaidi:** As a licensed financing company, we are authorized only to finance small and medium enterprises; we do not offer personal loans. Before assessing a client, we start by identifying the right financial product that suits their needs within the sectors we operate in. For example, if we do not work in a certain sector, we won't offer financing in it even if a client requests it. Unfortunately, there is still a lack of clear market studies that outline the size and dynamics of each sector in Iraq. That's why we do our own analysis to understand what the business needs, whether it's tools, machinery, or invoice financing, which we see as an important solution for suppliers and businesses.



Based on our experience, we've learned how to distinguish accurate financial data from unreliable information, especially in micro-businesses, which are often informal or unregistered. Therefore, having clear and traceable financial records is a key factor in selecting which projects to finance.

**Moderator:** How does First Finance assess client credibility and secure its loans without relying on traditional guarantors?

**Mr. Manar Al-Obaidi:** First Finance replaces the outdated guarantor model with a smarter, market-driven system. By partnering with major suppliers, the company can instantly verify any client's purchase claims and ensure the funding request is tied to real demand. Every applicant passes through strict financial and profitability checks, and only viable, income-generating projects are approved.

The process relies on third-party validation, not bureaucracy, with a simple check serving as the only formal guarantee. And if repayment fails, the case proceeds legally, ensuring the system stays secure and sustainable.

**Moderator:** What is invoice funding, and what are its requirements?

**Mr. Manar Al-Obaidi:** Invoice funding, also known as factoring, is not a new concept, but it's a practical solution for small businesses such as supermarkets, which often face delayed payments from clients (sometimes 50 to 90 days after delivery). In these cases, the business owner cannot afford to wait for the payment in order to keep their operations running.

So, if the business has issued an invoice to a known and verified buyer, we (the financing company) step in and pay the invoice amount upfront to the seller. Then, within 40 days, the buyer repays the amount to us. This helps the seller maintain cash flow without waiting.

**Moderator:** How much can be funded through invoice financing?

**Mr. Manar Al-Obaidi:** The amount we finance depends on several factors, including:

- Whether the buyer has a contract or prior relationship with us.
- Our internal verification system confirms that the invoice is registered and valid.
- The size of the invoice and the business's track record and consistency.



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We don't give an exact answer upfront because our funding terms vary based on:

- **The invoice amount**
- **The borrower's consistency**
- **The repayment period**
- **The financial behavior of the client**

**Moderator:** What advice do you give to business owners seeking financing?

**Mr. Manar Al-Obaidi:** We always advise business owners to study their loan purpose carefully before taking on debt. If a business owner doesn't know exactly where the money will go, the financing will not help and may even cause harm.

Chasing after government support or banks without a clear plan will usually lead nowhere. Success in financing depends on clarity, planning, and a well-defined business model. Funding is not a solution by itself; it's a tool that works only if used properly.

**Moderator:** Can you share an example from the agriculture supply chain (supply chain funding)?

**Mr. Manar Al-Obaidi:** We invested heavily in the agricultural supply chain, from wheat production to seed, fertilizer, and equipment. One key example is financing the purchase of ministry-issued checks for grain farmers. The challenge here lies in uncertain payment timelines. Selling invoices to third parties is also risky due to delays and unpredictability from government buyers. That's why we shifted to direct funding of agriculture projects with clear social impact, such as a community-led project (mostly women) in a village impacted by conflict and ISIS. We funded livestock purchases, but a new challenge emerged: Where to sell the dairy products, and how to handle price fluctuations in rural markets.

**Moderator:** What types of businesses do you finance, and what challenges do you see in the market?

**Mr. Manar Al-Obaidi:** We fund only ongoing businesses, not startups, and the smallest ticket we've ever funded was under 50,000 Iraqi Dinar (IQD), such as for a contract we had with a car maintenance provider who simply needed support to cover oil change costs. On the other end of the spectrum, we started with financing small cleaning and food supply factories with loans of 75 million IQD, and now those same businesses are receiving over 1 billion IQD with the same guarantees and consistent performance.

One of the key gaps we've observed is the lack of financial literacy, both among small and medium-business owners.

Many do not understand even the legal implications of bounced checks. They think it's just a civil issue, while in fact it's a criminal matter under Iraqi law.

We learned that the success of repayment has two major factors:

1. **Some clients are clearly fraudulent; they appear professional but have no real project structure.**
2. **Others simply lack financial awareness; they don't understand their loan obligations and repayment cycles.**

**Moderator:** What is one of the most common financial mistakes small business owners make, and what advice would you give them?

**Mr. Manar Al-Obaidi:** From our experience, one of the most frequent mistakes we see among small business owners is over-relying on deferred payment arrangements ("on credit") without having a clear plan for repayment or a full understanding of how it impacts their cash flow.

**Our key advice:** Don't wait until you sell your product to repay your obligations. Focus on your product's quality and its real value in the market. Also, negotiate a clear settlement period with your supplier so you can manage your finances without falling into unnecessary debt.

**Moderator:** For individuals with religious concerns, is your financing model Sharia-compliant?

**Mr. Manar Al-Obaidi:** Yes, the structure of our financing is designed to be Sharia-compliant. One of the key reasons we chose a product-based financing model, rather than simply giving out cash, is precisely to address these concerns. For example, we purchase specific goods like irrigation systems, seeds, or auto repair equipment and resell them to the client. This avoids the issues of cash misuse or interest-based transactions.

**Moderator:** How are you planning to use technology to improve how you evaluate applicants for funding?

**Mr. Manar Al-Obaidi:** Starting in August, we are launching a fully digital application system. The idea is to make the entire process, from identity verification to credit evaluation, automated and data-driven. Users will upload their unified national ID, allowing us to complete the Know Your Customer (KYC) process digitally. Based on that data, the system can assess how qualified each applicant is. For instance, it can automatically determine whether a pharmacy is eligible for funding, based on their operational data and financial profile. This use of technology helps reduce bias, speeds up the process, and ensures funding reaches those who are truly ready.

## 5. Greening Iraq's Startup Scene: Opportunities Revealed Through the EDF Green Grant

At a time when the world is racing toward greener economies, Iraq's entrepreneurs are stepping forward with bold ideas that protect the environment and drive sustainable growth. To support this momentum, the Wifra Program hosted a special discussion session introducing the Enterprise Development Fund (EDF) Green Grant, a new initiative designed to fund and empower small eco-friendly projects across Iraq.

More than just a funding mechanism, EDF Green is a pioneering initiative launched by the International Organization for Migration (IOM) to expand opportunities in the green economy, tackle pressing environmental challenges, and create practical solutions that benefit communities and businesses alike. By positioning sustainability as a driver of innovation, the program seeks to bridge gaps, open doors for young founders, and strengthen Iraq's transition toward a more resilient future.



In this session, Mr. Wameed Sabah, representing EDF Green and serving as the Transition and Recovery Division (TRD) Team Lead at IOM Baghdad, led the discussion, unpacking the grant's vision, eligibility criteria, and the real opportunities it offers for young founders and green innovators.

**Moderator:** How many entrepreneurs have benefited from the EDF Green Grant, and what scale of support can young innovators expect?

**Mr. Wameed Sabah:** Since 2020, the program in Baghdad has supported around 350 projects, spanning green initiatives, innovative ventures, and women-led businesses. And the momentum continues; approximately 60 new projects are expected to be accepted in the coming days, offering young founders a wider horizon of opportunity and support.

**Moderator:** What types of agricultural and green projects are eligible for the EDF Green Grant?

**Mr. Wameed Sabah:** The grant supports a wide range of sustainable initiatives. This includes organic fertilizer production, solar panel installations, and innovative projects like a solar water heater manufacturing facility we proudly supported in Abu Ghraib. Other eligible projects include hydroponic farming, initiatives that reduce water waste, energy-efficient solutions, and projects that convert one form of energy into another. Looking ahead, EDF Green plans to further back innovative and tech-driven ventures, helping young entrepreneurs expand their projects and drive sustainable growth in Iraq's agricultural and energy sectors.

**Moderator:** What exactly is the EDF Green Grant, and how does it differ from a traditional loan?

**Mr. Wameed Sabah:** Unlike a loan, the EDF Green Grant is non-repayable, meaning recipients are not required to pay it back. Grants range from 6.5 million to 39 million IQD, though exceptions are sometimes made depending on the realism and clarity of the project plan, which is carefully verified by experts. Previously, assets or land could count as part of your contribution, but now the focus is on the amount the entrepreneur can invest upfront versus the amount requested from the organization,



## The future of Iraq's agribusiness

showing the seriousness and readiness to expand the project. Importantly, only existing projects on the ground are eligible; ideas in the conceptual stage are not included.

**Moderator:** Are there specific conditions for receiving the grant?

**Mr. Wameed Sabah:** Yes, the project must have been active for at least two years, though registration isn't mandatory initially. If the grant is awarded, the organization can provide additional funds to formally register the project with the state. We also encourage projects that were previously operating in shared workspaces to grow into their own dedicated space. Another key condition is job creation: grants are prioritized for projects that hire employees with official contracts, ensuring the grant supports both business growth and sustainable employment.

**Moderator:** How does IOM typically recommend allocating expenses for projects funded by the grant?

**Mr. Wameed Sabah:** Allocation depends entirely on the specific needs and requirements of each project; there isn't a fixed amount for any particular category, as long as costs are realistic. The grant does not cover staff salaries, rent, or existing debts. Its main purpose is to promote sustainability, so the focus is on supporting successful, ongoing projects to help them grow or expand, rather than funding projects that are currently inactive.

**Moderator:** What happens if a project is rejected or fails to meet EDF Green Grant requirements?

**Mr. Wameed Sabah:** If a project is rejected, feedback is typically not provided to prevent potential misuse or submission of unrealistic plans in the future. Grant applications are processed in stages, not all at once, and projects are monitored for a year or more depending on their expansion plan. If a project fails to meet its objectives, the organization includes specific clauses in the agreement: an extension may be granted to address shortcomings, but if the plan still does not succeed, the contract is terminated and funding is not continued.

**Moderator:** Are there restrictions for reapplying if a project is rejected?

**Mr. Wameed Sabah:** Yes. Projects rejected under the EDF Green Grant are usually ineligible for other EDF grants. Every application must include a detailed business plan and feasibility study, and all stages are closely monitored by a committee using evidence such as receipts and documentation. Once rejected, neither the project owner nor their partners are allowed to apply for the grant again.



## 6. Youth at the Crossroads: Overcoming Challenges in Iraq's Startup Scene

This session, led by ITC representatives Mr. David and Ms. Hanna, explored the challenges and opportunities for employment and entrepreneurship in Iraq, with a focus on young founders and SMEs. Key sectors like IT, local manufacturing, agriculture, services, and energy were highlighted as engines for job creation.

Participants discussed obstacles such as limited access to finance, unreliable infrastructure, and the skills gap among graduates. The role of vocational training, business incubators, and job fairs was emphasized as practical solutions to support youth employment.

The discussion also examined Iraq's potential accession to the World Trade Organization, highlighting benefits for SMEs, competitiveness, and transparency. Overall, the session offered actionable insights into overcoming barriers and fostering sustainable entrepreneurship.

**Mr. David:** Accessing reliable information on SMEs is difficult due to the absence of clear statistics on startups and small- to medium-sized enterprises. According to statistics from the Baghdad Chamber of Commerce and the Federation of Industries, the number of startups in Iraq ranges between 300,000 and 600,000 SMEs. As is the case in global economies, SMEs are the main contributors to job creation, rather than the government. In Iraq, there are over 250,000 new graduates, but only around 80,000 jobs are being created. This highlights a significant employment gap, and there is a strong need for a skilled workforce.

**Ms. Hanaa:** Over the past four years, ITC has operated in Iraq through the SAAVI project, focusing on strengthening the agriculture value chain. Today, trust has been established between ITC and the European Union as the project funder. The upcoming "Jobs" project was signed last month and will be launched after the Iraqi parliament elections or in the first quarter of the upcoming year. The project will focus on four main pillars:

1. **Value Chain Analysis:** ITC emphasizes the economic contribution of value chains such as agriculture and energy. Some opinions suggested that Iraq does not need to join the World Trade Organization (WTO) and that it should block imports; however, restricting trade in this manner would severely reduce competitiveness.
2. **SME Competitiveness:** Through SAAVI, alliances have been created between farmers to increase production and supply quality goods to the market, potentially reaching volumes comparable to major retail chains like Carrefour and Bazar.
3. **Expansion Beyond Agriculture:** The project aims to support other sectors, including technology.
4. **Sustainable Support for the Next Generation of Entrepreneurs:** The focus is not only on youth but also on supporting women entrepreneurs, particularly in male-dominated sectors. Currently, only three women are present in today's session. The initiative aims for gender parity while including marginalized groups such as internally displaced persons and individuals with disabilities or special needs.

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**Ms. Hanaa:** What are the main challenges facing entrepreneurs?

**Audience Member 1:** Electricity.

**Audience Member 2:** Lack of governmental support and absence of effective government roles.

**Audience Member 3:** Difficulty in accessing funding.

**Ms. Hanaa:** Our goal is to explore ways to support this sector, especially in developing skills that help youth secure employment. For private sector companies operating in Baghdad, which sectors create the most job opportunities?

**Audience Member 1:** Agriculture

**Audience Member 2:** Industry

**Audience Member 3:** Technology

**Audience Member 4:** Services

**Ms. Hanaa:** From a business perspective, which skills are most lacking?

**Audience Member 1:** Having competent accountants and finance professionals are essential, and we must distinguish between the two functions. Marketing skills are also scarce, particularly understanding the complete marketing process from strategy to measurable results.

**Audience Member 2:** I avoid hiring fresh graduates due to the time required for training and supervision.

**Ms. Hanaa:** How do you recruit when you need to fill a position?

**Audience Member 1:** I rely on my network and referrals from trusted contacts, rather than posting job announcements online.

**Audience Member 2:** Most companies lack HR departments with adequate skills. In our fast-food chain with six branches and 300 employees, we struggled to implement an effective HR system.

**Audience Member 3:** The type of recruitment depends on the position. For entry-level roles, posting on LinkedIn may not be necessary, local job platforms and community-based social media groups are usually more effective and accessible.

**Ms. Hanaa:** What are the main challenges young entrepreneurs face when trying to access financing in Iraq?

**Audience Member 1:** The interest rates are high, and some institutions do not accept Sharia-compliant arrangements, which makes the loan unsuitable for us.

**Audience Member 2:** The loan or advance requirements are too difficult for startups. For example, if the business is online or just a page, they still ask for a property ownership contract as collateral, which is impossible to provide.

**Audience Member 3:** The issue isn't just the interest rates and guarantees; even the procedures are long and complicated.

## On Social Solidarity Funds

**Ms. Hanaa:** Social solidarity funds could serve as an effective model for supporting small businesses, whereby a group of enterprises collectively establish a shared fund through initial capital contributions. The fund would operate through a revolving loan mechanism, allowing each member to access financing on a rotational basis, following an agreed structure similar to informal advance lending.

She further noted that small businesses could access financing based on the guarantees they can provide and their reputation in the market. She suggested that the fund could start with an initial capital of approximately 20,000 United States Dollar (USD) and grow gradually as member contributions increase.

**Audience perspectives:** The majority of participants considered the proposed amount insufficient given the current rise in operating costs and agreed that the fund would be more effective if it were launched with a minimum capital of USD 50,000.

## 7. From Ambition to Obstacles: Breaking Barriers for Iraq's Young Entrepreneurs

Understanding the hurdles and unlocking opportunities for Iraqi youth was the driving focus of this dynamic Focus Group Discussion (FGD) session. The discussion kicked off with a presentation of the Jobs Project by Ms. Hanaa and Mr. David, spotlighting its mission to integrate Iraq into the International Trade Center (ITC), boost private sector competitiveness, and advance women's inclusion. True to its vision, the project avoids direct financial grants, prioritizing sustainable, long-term solutions over temporary fixes.

What sets the Jobs Project apart is its cross-sectoral approach: by bridging agriculture, technology, and other key industries, the initiative creates a platform where diverse sectors converge to generate employment, foster innovation, and strengthen Iraq's economic resilience. This multi-sector integration not only expands opportunities for young entrepreneurs but also ensures that solutions are practical, scalable, and aligned with global trade standards.

Throughout the session, participants shared real-life insights, experiences, and challenges, offering a ground-level perspective on youth employment and entrepreneurship. The conversation illuminated pathways for empowering young Iraqis and expanding access to resources that can transform ambitions into tangible opportunities.

**Ms. Hanaa:** What are the main challenges for young entrepreneurs and the local workforce in Basra?

**Audience Member 1:** Loans start at around 20 million IQD, but many youth projects lack sustainability. Young people need skills development in addition to funding.

**Audience Member 2:** There is competition between local and foreign labor in Basra, in addition to the influx of displaced youth from other governorates.

**Audience Member 3:** Training programs often don't match Basra's job market needs, leaving graduates unprepared for sectors like oil and gas.

**Audience Member 4:** Limited digital and basic skills, with many university graduates lacking essential computer proficiency, such as Microsoft programs.

**Audience Member 5:** Dependence on the oil sector, which recruits many youth but often offers low salaries and prefers foreign workers over local talent.

**Audience Member 6:** Lack of state support for small and medium enterprises and no access to loans or innovation support (e.g., patents for agricultural technologies).



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**Ms. Hanaa:** Do young individuals and small business owners in Basra actually have access to bank loans?

**Audience Member 1:** Access to loans is nearly nonexistent. In 2025, Al-Rafidain Bank offered no loans at all, while Al-Rasheed Bank imposes heavy conditions and high interest rates.

**Audience Member 2:** Private banks are even more demanding, and finding a guarantor remains one of the biggest barriers, especially for farmers and small business owners.

**Audience Member 3:** Financing tends to favor large companies, leaving young people and small- to medium-sized enterprises with few viable options. Many therefore turn to grants from international organizations, but even these are becoming less reliable as global funding for Iraq continues to decline.

**Ms. Hanaa:** What real challenges are today's farmers in Basra facing?

**Audience Member 1:** Farmers are struggling with multiple pressures that directly threaten the future of local farming. Agricultural lands are increasingly being converted into residential areas, while groundwater levels continue to drop. previously water was found at 20 meters, but now even at 30 meters there's none. Pollution from nearby oil fields adds to the difficulty, and access to financial support has nearly disappeared.

**Audience Member 2:** Loan obstacles have grown even worse; agricultural contracts are no longer being renewed, with authorities claiming the land belongs to the municipality or may contain oil, making farmers ineligible for loans. Rising production costs, compared to low selling prices, are shrinking profits and discouraging the younger generation from continuing family-owned agricultural projects.

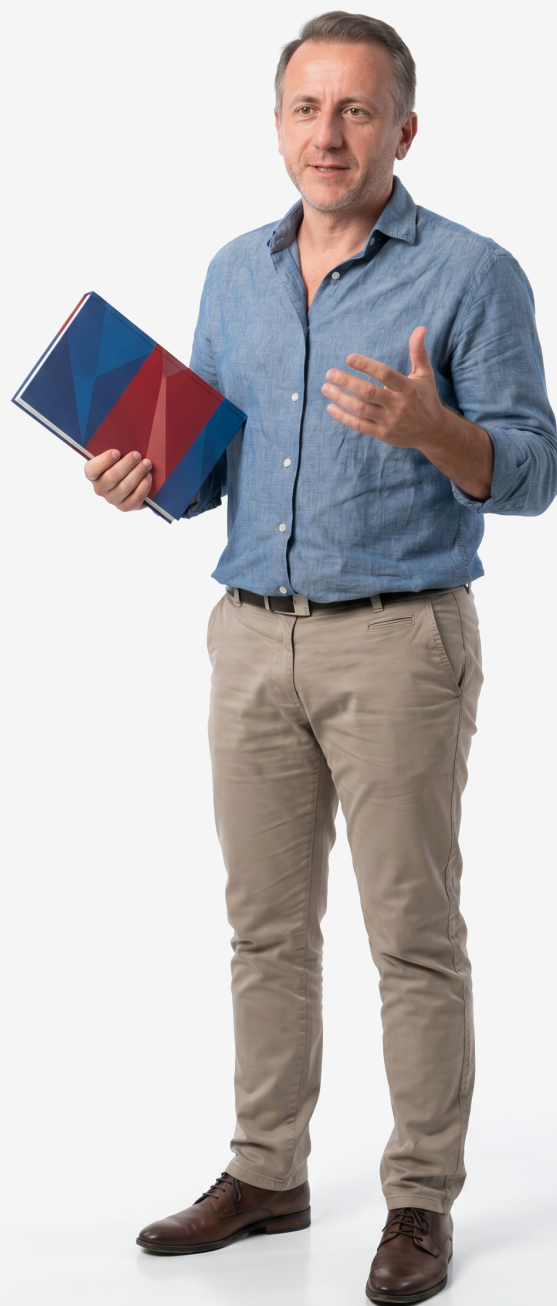
### How Accessible Are Business Incubators for Basra's Emerging Entrepreneurs?

**Mr. David:** Basra suffers from a clear shortage of functional business incubators. While Baghdad hosts around four active incubators, Basra has only two, and even those offer limited support. Entrepreneurs noted that although a small unit exists in Hay Al-Muhandisin, it lacks real resources, leaving young founders without mentorship, funding, or structured programs. Innovation is happening on the ground, yet young entrepreneurs rarely find institutions willing to listen or invest in their ideas.

**Mr. David:** What challenges prevent Basra's agricultural entrepreneurs from scaling their production?

**Audience Member 1:** There are multiple barriers, starting with crop season limitations; for example, Basra and Al-Zubair tomato production lasts only four months a year, unlike other provinces that produce year-round. This short window reduces profitability.

**Audience Member 2:** Using plastic greenhouses funded by the Norwegian Refugee Council (NRC) showed promise, yet I was forced to abandon the project due to lack of continued financing. The absence of stable support systems leaves me unable to sustain or expand my agricultural initiatives.



## 8. Roots of Support: Inside the Government's Agricultural Business Incubator Initiative

Amid the growing challenges facing food and agricultural enterprises, agricultural business incubators are emerging as a vital bridge between entrepreneurial ambition and structured government support. This session offers a direct window into one of the Ministry of Agriculture's key initiatives aimed at empowering small and medium-sized enterprises and transforming innovative ideas into scalable and sustainable agribusiness ventures.

The session is moderated by Mr. Asser Abu Al-Sour, Director of Haqool Al-Tazaj Company, and features Dr. Mohammed Khalid, Chief Agricultural Engineer and Deputy Head of the Agricultural Business Incubators Department at the Ministry of Agriculture, alongside Dr. Muthanna Mohammed Raheem, Head of the Plant Production Department at the Agricultural Investment Directorate of the Ministry of Agriculture. Through this dialogue, the session highlighted how entrepreneurs can benefit from agricultural business incubators, the types of support available, and the role these incubators play in strengthening and advancing food and agricultural projects.

**Moderator:** Dr. Mohammed, How do you define an agricultural entrepreneurial project eligible for business incubators?

**Dr. Mohammed Khalid:** Any idea or project offering an innovative solution to a specific problem or introducing new technology to agriculture qualifies. The sector faces many challenges, from marketing and high costs to climate change, so any solution addressing these issues is welcomed.

**Moderator:** Have there been standout projects that delivered real technical solutions and proved successful in the market?

**Dr. Mohammed Khalid:** Our department was established in 2023 as part of the "Al-Khair" initiative. The projects we have are still in final evaluation. They are strong and truly entrepreneurial, and although not yet funded, they are expected to receive financing soon.

**Moderator:** Post-harvest loss is a major issue in local production. Does the Ministry have plans to reduce waste and turn it into industrial opportunities for farmers?

**Dr. Mohammed Khalid:** Yes. Our main step is the new Agricultural Digital Platform, which tracks production in every province and distributes crops based on real market demand. This reduces waste caused by mismatched harvest seasons and prevents unnecessary imports that harm local prices. We're also working with partners, including the Ministry of Trade and the Egyptian government, on digital platforms for key products like dates.

The challenge is changing traditional habits; many farmers still rely on "al-alwah" markets and don't see how digital distribution cuts losses and increases their income.

**Moderator:** What key services does the incubator provide to agricultural entrepreneurs?

**Dr. Mohammed Khalid:** The incubator offers three training stages, basic, intermediate, and advanced, covering business skills, risk management, and project sustainability. We also support entrepreneurs in preparing professional feasibility studies and connect them with funding sources from government, private sector, and development organizations.



## The future of Iraq's agribusiness

**Moderator:** Is there training on operational, marketing, or management skills for farmers?

**Dr. Mohammed Khalid:** Yes. Participants received project-management training and modern marketing skills, including digital marketing and market analysis, essential for anyone entering agriculture.

**Moderator:** Dr. Muthana Mohammed, can the Ministry provide experimental land for small agricultural projects?

**Dr. Mohammed Khalid:** We have two options: vacant agricultural land and 50-dunam plots in modern villages for agricultural engineers and veterinarians. Most small projects, like mushrooms, medicinal plants, or mint for essential oils, need only a fraction of that. The Ministry primarily allocates large investment lands, but many farmers now rent out unused plastic greenhouses due to water shortages.

**Moderator:** How can entrepreneurs access smaller plots?

**Dr. Mohammed Khalid:** In water-scarce southern areas, the fastest solution is renting directly from farmers. It's much quicker than applying for state land.

**Dr. Mohammed Khalid:** We're currently working on establishing agricultural cities for project owners in Zanbaraniya and in Diwaniyah (Ghabet Al-Nouria). This responsibility was assigned to us under the department's founding decision, in cooperation with the Higher Council for Youth and the Ministry's Investment Directorate. Applications go through the Higher Council for Youth, and each approved project receives 5 dunams. The Zanbaraniya agricultural city is now in its final stages of development.

**Moderator:** What are the requirements for applying to the agricultural business incubator?

**Dr. Mohammed Khalid:** It depends on the idea and whether the project is already operating. We assess whether it is truly entrepreneurial and can generate revenue. While the Ministry does not currently allocate land directly to small projects, agricultural cities (through the Higher Council for Youth) offer land options.

**Moderator:** If the project is eligible, how is the entrepreneur connected to lenders or investors?

**Dr. Mohammed Khalid:** We are in a partnership with the Agricultural Bank, the Ministry of Labor and Social Affairs, and the "Al-Khair" Initiative. We guide entrepreneurs to the appropriate financing channel based on their project needs.

**Moderator:** Dr. Muthana Mohammed, from the Ministry's perspective, what challenges do small or startup agricultural projects face today?

**Dr. Mohammed Khalid:** The main challenge is financing. Traditional farmers also struggle with irrigation, pivot or open-field irrigation suits large projects, but small plots (5 dunams or less) face difficulties. Another major challenge is getting started. Agricultural cities can only accommodate a limited number of projects. Those without allocated land can prepare a feasibility study and rent private land for 5-6 years, then apply for a loan from the Agricultural or Commercial Bank. Small projects don't need large loans; they require effort and planning. My advice: don't rely on the state for land, it's better to self-manage due to complex ownership and legal issues.

**Moderator:** Dr. Muthana Mohammed, from the Ministry's perspective, what challenges do small or startup agricultural projects face today?

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**Moderator:** What if someone owns land but doesn't know how to use it? How can landowners be matched with project owners?

**Dr. Mohammed Khalid:** There should be a database of land details, location, size, and other key info, to connect entrepreneurs with suitable land. This doesn't have to be done solely by the government; a private initiative could also provide this service to the Project owners and to the government as well.

**Moderator:** If the land and the project are ready, when can one apply for a loan, and what are the terms?

**Dr. Mohammed Khalid:**

- **Ministry of Labor & Social Affairs:** interest-free loans of 20–50 million IQD, capped at 50 million per project. For larger projects, partners can jointly apply.
- **Agricultural Initiative Loans:** 2% declining interest.
- **Agricultural Bank:** 5% interest, with flexible repayment depending on project type.
- All loan terms and application rules follow the respective lending institution.

## On Social Solidarity Funds

**Audience Member:** Farmers exploit import bans to raise prices. For example, when potato imports were halted, local prices jumped from 500 IQD to 1,750 IQD. Why not set fixed prices?

**Muthana Mohammed:** Agricultural markets operate on competition. The government cannot fix prices, since imports may be cheaper than local produce.

**Mohammed Khalid:** Iraq is preparing to join the World Trade Organization, which requires free competition. Under socialism, the state set price ceilings and floors, but today our economy is liberalized. Price spikes are temporary; if local prices remain high, imports are reopened.

**Audience Member:** Fireproof construction materials are extremely costly, hundreds of thousands of dollars, while many projects have capital under 50 million IQD. Can licensing laws be adjusted?

**Muthana Mohammed:** Entrepreneurs can rent storage during harvest instead of building new facilities. Changing safety laws would harm farms more. Licensing requires multiple approvals from Agriculture, Electricity, Antiquities, Environment, Oil, and Civil Defense. We issue licenses only after all institutions approve.

**Audience Member:** Agricultural laws prohibit building on farmland, even worker housing or storage. I pay 8 million IQD annually because I built offices for staff. Isn't this unfair?

**Muthana Mohammed:** Building on farmland is considered land conversion. Under Law 35, only strategic crops may be grown. You can request an additional dunam for storage. Laws 24 and 25 allow feed mills or livestock fattening facilities, but it depends on the legal status of the land.

**Audience Member:** Are innovative projects like drones or hydroponics supported in Iraq?

**Muthana Mohammed:** Yes. The Ministry of Higher Education recently approved a new department for drone technology. Innovative projects are welcomed in agricultural incubators, provided they meet security and regulatory requirements.

**Audience Member:** If I produce 40 tons of mushrooms monthly and face unsold surplus, does that count as overproduction?

**Muthana Mohammed:** By joining the platform, your product becomes visible nationwide. You can then market directly, sending trucks to provinces in need or distributing through wholesale markets.

**Audience Member:** What indicators show that a product is included in the agricultural calendar?

**Muthana Mohammed:** Remember, you are not alone, competitors also exist on the platform. For instance, Kurdistan achieved mushroom self-sufficiency with 22 factories. To compete, you must focus on production planning, packaging quality, and price control.

## Challenges and Opportunities in Iraq's Agribusiness and Food Sector

This section reflects the real voices and lived experiences shared by participants during the WIFRA sessions. Rather than presenting theoretical solutions, it captures the practical challenges agribusiness actors face on the ground. Participants spoke candidly about barriers related to finance, land, water, infrastructure, marketing, and ecosystem support, while also pointing to areas where improvement is possible if the right conditions are created. The opportunities outlined here emerge directly from these conversations, highlighting what could work based on existing practices and gaps that participants believe can be addressed.

These insights provide a grounded snapshot of Iraq's agribusiness reality, one shaped not by assumptions, but by those actively working within the sector every day.

| Aspect                          | Challenges                                                                                                                      | Opportunities                                                                                                              |
|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Water & natural resources       | Severe water scarcity, deep and costly groundwater, high evaporation from traditional irrigation, and pollution in some regions | Drip irrigation, night-time watering, drought-tolerant crops, and regenerative practices that improve soil water retention |
| Farming practices & soil health | Heavy reliance on chemical fertilizers and pesticides weakens soil and plant resilience                                         | Regenerative agriculture, organic inputs, mixed cropping, and companion planting that rebuild soil and reduce input costs  |
| Technology & innovation         | Limited adoption of modern tools and weak extension services                                                                    | Use of AI, sensors, satellites, drones, and smart irrigation to improve efficiency and reduce waste                        |
| Food safety & quality           | Weak testing systems, limited residue analysis, poor inspection, and inconsistent quality across the supply chain               | Stronger quality control, improved testing, food safety awareness, and potential food quality associations.                |
| Market access & marketing       | Low consumer awareness of organic products and reliance on raw produce sales                                                    | Educating consumers, pre-order systems, value-added products, and bundled offerings like vegetable baskets.                |
| Finance & investment            | Difficult access to loans, high interest rates, strict guarantees, and low financial literacy.                                  | SME-focused financing, project-based assessment, supply chain funding, and alternative models like solidarity funds.       |
| Skills & institutional support  | Lack of hands-on training, weak incubators outside major cities, and limited advisory services                                  | Practical consultants, self-learning, international experience, business incubators, and digital platforms                 |
| Climate & future income         | Climate change risks and dependence on crop sales alone                                                                         | Carbon credit initiatives, tree planting projects, and new income streams beyond traditional farming                       |

# From Insights to Impact

The WIFRA sessions revealed a clear message: the challenges facing Iraq's agribusiness and food sector are not due to a lack of ideas, but to the absence of mechanisms that translate experience into action. Participants shared practical, market-driven insights grounded in daily realities.

This section turns those insights into action-oriented recommendations, reflecting what stakeholders see as urgently needed to unlock progress, responsive financing, clearer investment pathways, stronger market linkages, and policies shaped by on-the-ground realities.

## 1. Access to Finance Reform for Agribusiness SMEs

- Developing financing mechanisms that do not rely on land ownership or government salary guarantees, particularly for farmers and small enterprises.
- Introducing simplified and faster financing processes aligned with agricultural seasons to prevent delays that disrupt production cycles.
- Expanding non-traditional financing models, including grants, blended finance, and community-based funds, to reach excluded producers.

## 2. Infrastructure Development Critical to Agricultural Growth

- Prioritizing reliable electricity access, irrigation systems, and water management to reduce production risks.
- Investing in storage, cold chains, and basic logistics infrastructure to reduce post-harvest losses and stabilize prices.

## 3. Market Access and Marketing Capability Strengthening

- Supporting farmers and food producers with practical guidance on pricing, market entry, and sales channels.

- Facilitating stronger linkages between producers, traders, processors, and buyers, reducing reliance on informal and volatile markets.

## 4. Guidance, Training, and Business Support Enhancement

- Shifting from generic training programs to sector-specific, hands-on support aligned with real market needs.
- Providing continuous advisory support for entrepreneurs navigating startup, expansion, and compliance challenges.

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