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**Iran
Food
Industry**

The Iranian food market

Iran, with a population of nearly 80 million people offers significant opportunities for growth, international investment and modernization in its already strong food and beverage industry. In the field of raw material production and their processing, Iran enjoys unique advantages including, availability of 51 million hectares of agricultural land and the country's four-season climate. It is worth mentioning that, almost all raw materials for food processing industries are domestically produced in Iran.

The process industry of Iran is able to handle producing more than 150 million tons of raw materials and to meet domestic needs and exports to foreign markets. However, the export of food products have undermined as a result of inadequate competitiveness of local agricultural products compared to counterparts in other countries as well as incompatibility with international standards and absence of export plans.

The Iranian food trade market is one of the most important ones in the entire Middle East.

According to WTO-World Trade Organization, Iranian food imports made up for 4.53 billion US Dollar in 2017. Iranian food exports amounted to 2.8 billion US Dollar. Thus, food trade with Iran made up for a 7.33 billion US Dollar business in 2017.

Top 9 groups of food material exported to Iran include vegetable oil, pasta, macaroni and dough, tomato paste, sugar, candy and its products. During that time, four groups including compote and canned, concentrate and juice, honey and beverage faced to decline in export value.

Demand in the Iranian food sector

- In general, there is a good potential for the export of specialized machinery to the food processing and packaging industry as well as to the agricultural sector, as this can help Iran fulfil its food production potential.
- There would be a good potential for the export of food additives to the food industry e.g. ingredients, flavors etc.
- There is a good potential for strong product brands or product concepts based on specific inputs or technologies in cooperation with local Iranian companies and under license agreements.
- The objective of self-sufficiency is neither likely to be obtained for red meat nor for fish. So, there is a potential for bulk exports of these products in cooperation with local partners (the latter in order to obtain the necessary veterinary and other licenses).
- 80 to 90 % of the butter consumption in Iran is being imported which is around 80,000 tons per year. The imported butter is in 25 kg Bulk.
- Free trade zones (exempt from import duties) provide opportunities for the export of bulk products in dairy and meat with the purpose of re-exporting to third countries (e.g. Iraq, Russia and Afghanistan) in cooperation with a local partner.
- Approximately 70 % of fodder is imported and there is a good potential for exports including supplements.
- There is great potential to improve the cool chain in the retail sector for vegetables and fruits.

