



U.S. EMBASSY - BAGHDAD

2008 Provincial Reconstruction Team News

-Iraqi Farmers Begin to Chart Own Destinies-

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Baqubah, Iraq - After years of centralized economic planning, farmers in rural Diyala Province are meeting the challenge of operating independently through innovative ideas and practices spurred by the local Provincial Reconstruction Team (PRT).

Diyala's small-scale farmers are taking a page from the history book of American farmers as they search for techniques and tools to make their operations more profitable and less dependent on government control.



Diyala PRT Agricultural Adviser Ryan Brewster holds one of Co-ops new chicks. Photo credit: MC1 Mario Quiroga, USN.

In April 2008 agricultural advisers on the Diyala PRT introduced the concept of Cooperatives (Co-ops) to an interested group of farmers in Hib Hib, a town northwest of Baqubah the provincial capital. Embracing the American practice they banded together to form the Hib Hib Poultry Co-op.

Co-operative farming was not an alien concept to the Iraqi farmers but working together as a corporate body or business was. Thirty-five farmers joined the Co-op and set up a non-sectarian board of directors representing the six villages in the vicinity of Hib Hib. It did not take long for them to grasp the concept and develop a pilot project.

Ryan Brewster of PRT Diyala's Agricultural Unit has high hopes for the Co-op. He said, "We think that the Co-op's egg laying project can be turned into a model project for use throughout Diyala Province and the rest of Iraq."

Co-ops, which played a very important role in the history of American agriculture, are basically organizations that share the costs of agricultural production. For example, the organization might purchase a tractor and share it among members who could not afford to buy one themselves.

Similarly large scale purchases can be made by the Co-op which receives a bulk-order discount and a reduction in overall shipping costs. Members divide the order by a prearranged agreement of their own devising. Over time a successful Co-op might develop into something akin to a discount store or buyers club.

The Co-op's choice of a first project was important. Diyala is in the middle of a severe drought, the third in a succession of dry years, and so a crop planting project was unfeasible. A project involving livestock similarly made little sense in a year when herdsmen were already predicting an early sell off of stock. So, the Co-op selected as its first project an egg laying facility to provide fresh eggs to the Baqubah and Baghdad markets.

Egg production is a cost effective investment even in times of drought and eggs are a staple part of the Iraqi diet. Currently most eggs sold at markets in Baqubah and Baghdad are imported from Iran and Syria and so the Co-op plans to develop a marketing campaign that emphasizes the freshness and lower cost of the Hib Hib product.

However, after creating the business plan for the project Co-op members found that they were still short the needed investment capital for the project. PRT Diyala's Ag Unit helped fill the funding gap by securing a Quick Response Fund grant from the U.S. Embassy in Baghdad. The grant provides 40% of the initial cost for the project; the Co-op will provide the remaining 60%.

During the first week of July the Co-op placed an order for 5000 chicks which are to be delivered in early August. The project will begin producing eggs 19 weeks after receipt of the chicks. Barring unforeseen circumstances the Co-op expects that the project should achieve profitability within a year.

The creation of the Hib Hib Poultry Co-op is a small thing in the overall economic picture of Diyala but the duplication of such small successes will ultimately revitalize and strengthen the Provincial economy as well as the national economy.