



Iraq Covid-19 Food Security Monitor

Bi-weekly Update Issue 29 February 15- 15 March 2021¹

Government Decisions

25 February 2021

- MoA has permitted the import of watermelons, while it continued to ban the import of onions another 22 agriculture products.²
- MoT has disbursed the 7th payment owed to wheat farmers from the 2019/20 marketing season.³

I. Key Messages

- COVID-19 cases have been on the rise again in Iraq, which has spurred the government to curtail movement between governorates and decrease government employee worktime.

- Even though prices of crude oil have increased above the average of 2020 and has thus led to increasing government revenues, the government continues to grapple with a tight liquidity, which has resulted in:

- Delayed payment transfers to farmers for their 2020 production sales; and
- A reduced transfer of 9% of the original budget allocated to the Public Distribution System (PDS), which has resulted in continuous delays in the distribution of food rations to beneficiaries.

- Food prices have remained stable, with only vegetable oil prices rising. Since most of the vegetable oil is imported, local prices have increased by around 45% since the currency devaluation in December 2020.

II. Overview

The novel coronavirus (COVID-19) continued to spread in Iraq. As of 15 March 2021, the World Health Organization reported 695,489 confirmed cases and 13,406 deaths. Survival rate from COVID-19 in Iraq to date was at 91.4%, a decrease of 3% compared to the rate of survival recorded on February 25, 2021, which was 94.4%.

The Council of Ministers issued a number of measures to prevent the spread of a new strain of COVID-19, which included prevention of movement between governorates with the exception of humanitarian cases and travel, as well as reducing government employee worktime by 50%.

Oil prices have remained stable and above 2020 averages, increasing government revenues. Over the past two weeks, Basra heavy oil prices fluctuated between USD 60.52 and USD 61.26 per barrel.⁴ Government oil revenues increased to \$5 billion by the end of February, a 6% increase from January.⁵

The Food and Agriculture Organization (FAO), the World Food Programme (WFP), International Fund for Agricultural Development (IFAD) and the World Bank continue to track the impact of this crisis on food security, with a focus on food availability, access, utilization and stability.

¹ Exceptionally, the biweekly food security monitor will be issued for a period covering one month to harmonize reporting with data collection.

² Prohibited agricultural products include: cucumbers, eggplant, broccoli, carrots, buckthorn, potatoes, lettuce, garlic, pepper, dates, eggs, live chicken, shredded chicken, whole chicken, tomato, shrimp, beetroot, honey, river fish, green peas and onions. <http://zeraa.gov.iq/index.php?name=News&file=article&sid=8983>

³ <http://mot.gov.iq/index.php?name=News&file=article&sid=6231>

⁴ www.oilprice.com

⁵ <https://www.rudaw.net/arabic/business/01032021>

⁶ <http://zeraa.gov.iq/index.php?name=News&file=article&sid=8983>

⁷ <http://mot.gov.iq/index.php?name=News&file=article&sid=6231>

⁸ <http://www.cabinet.iq/ArticleShow.aspx?ID=11095>

⁹ <https://www.ninanews.com/Website/News/Details?key=888767>

¹⁰ <https://www.ninanews.com/Website/News/Details?key=890521>

¹¹ [https://alsabaah.in/1137/الصباح-يعلن-عن-النتائج-الاجمالية-لـ"التحصيل"](https://alsabaah.in/1137/الصباح-يعلن-عن-النتائج-الاجمالية-لـ)

¹² <http://zeraa.gov.iq/index.php?name=News&file=article&sid=8970>

III. Food Supply: Production (primarily on farm)

Production. The Ministry of Agriculture (MoA) has banned the import of onion crops as of 23rd February, in response to sufficiency of the local production and in line with the agricultural calendar. Traders who have already obtained approval to import onion, were given a window of 10 days to finalize their shipments.⁶

Around 2 billion dinars (\$1.3 million) were distributed to wheat farmers in Ninewa as part of the dues owed from the 2019/20 marketing season, part of a total of 18 billion Iraqi dinars earmarked for disbursement. The payments are to be disbursed through the General Company for Grain Trading.⁷

Despite previously legalizing the export of barely crops, the Council of Ministers has annulled its decision no.29 of 2021 that allows traders to export barely to other countries. This decision comes in light of urgent national needs to supply an amount of 187,000 tons of barley feed to livestock breeders in all Iraqi governorates.⁸

As part of the initiative of the Ministry of Higher Education and Scientific Research to plant over a million trees in Iraq, and in coordination with the MoA, the College of Agriculture at the University of Wassit has dedicated its agricultural land to produce pomegranate, orange, olives and palm seedlings.⁹

Other Challenges. The Ministry of Interior, in coordination with MoA, has continued its efforts to limit smuggling of agriculture produce into Iraq, primarily through the Kurdish Region of Iraq (KRI), where products of Turkey and Iran find their way into the local Iraqi market. Iraq security forces have confiscated over 200 tons worth of poultry meat and eggs that have been smuggled into Iraq through the northern borders.¹⁰ While the devaluation of the Iraqi Dinar has made prices of smuggled produce less competitive, nevertheless, because most inputs (seeds, fertilizers, pesticides) are imported, the prices of inputs have increased around 25%, thus increasing farm gate prices, thus keeping smuggled produce in a better competitive position compared to locally produced crops.¹¹

IV. Food Supply: Markets (farm to market)

Despite the new movement restrictions imposed by the Iraqi government, MoA has worked with the Supreme Committee for Health and National Safety to facilitate the smooth movement and transportation of agricultural products during curfew hours. Farmers and poultry producers were able to move their products while complying with national safety regulations and conditions, including wearing masks and maintaining social distancing.¹²

The Ministry of Trade (MoT), through its General Company for Food Trade and its network of distribution centers in the governorates, has continued the distribution of sugar to meet the supply needs of the Public Distribution System (PDS). As of 2 March, 1,615 tons of sugar were distributed in Ninewa, 1,242 tons in Kirkuk, 1,092 tons in Anbar, 1,160 tons in Maysan, 1,246 tons in Diyala, 1,250 tons in Salahedin, 2,008 tons in Babil, 1,445 tons in Karbala, 1,509 tons in Najaf, 1,832 tons in Diwaniyah, 1,013 tons in Muthana, 2,569 tons in Basra, 968 tons in Wasit, 753 tons in Thi Qar, 7,602 tons in Baghdad and 799 tons in Sulaymaniyah.¹³

Around 80,000 tons of sugar and 10,000 tons of vegetable oil have been provided to PDS for national distribution since the start of the year. MoT has distributed locally produced rice in Diyala, Babil and Muthanna, where in total 198,850 tons of local rice been distributed across above governorates.¹⁴ Due to national sufficiency in production of wheat during the 2019/20 season, where national production reached a record total of 5.3 million tons, MoT will be able to provide wheat flour and rice throughout the year through the ration card.¹⁵

Overall, MoT is still lagging behind in the PDS distribution. Since the beginning of the year, MoT has only received 47 Billion Iraqi Dinars, only 9% of the budget allocated to PDS by the fiscal budget of 2021.¹⁶

V. Food Demand (markets to consumers)

Prices. During the first two weeks of March, the national average price of wheat flour, sugar and rice remained stable and reported no significant change compared to the last weeks of February¹⁷. However, the average price of vegetable oil at national level increased by 12.5% from IQD 2,208 to IQD 2,486 per litre. This was driven by the price increase in four governorates. In Najaf, the vegetable oil prices increased by 25% (IQD 2,000 to 2,500 per litre), and in Maysan it increased by 13% (IQD 2,000 to 2,250 per litre), while in Nasiriyah and Salahuddin the price of vegetable oil increased by 11% (IQD 2,250 to 2,500 per litre). Since the devaluation of the Iraqi dinar in December 2020, the price of vegetable oil has increased by 45% (IQD 1,556 to 2,250 per liter). This is primarily attributed to the increase in the import price of the imported vegetable oil.

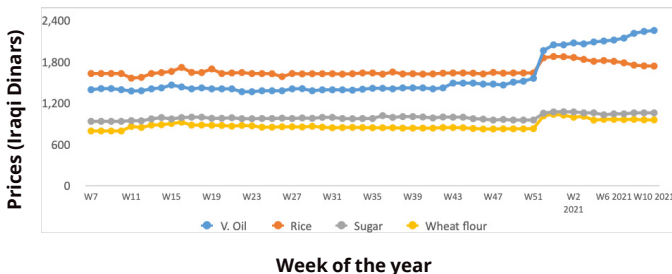


Figure 1. Weekly food prices (national averages) for four staple commodities during the COVID-19 crisis.

Consumption Patterns. WFP's Hunger Monitoring System noted the improvement in the consumption patterns in Iraq compared to the end of February data. The data collected on 14th of March revealed that around 2.3 million people in Iraq are with insufficient food consumption, a decrease of around 100,000 individuals compared to end of February data. During this period, Babil governorate reported the highest proportion of insufficient food consumption, with around 19% of the population with insufficient food consumption.

Around 11% surveyed households (HH) were using crisis or above crisis-level consumption-based coping strategies (negative coping strategy). This mainly include relying on less expensive food (35%) and borrowing food (28%). Among the surveyed households, 19% of HHs reported challenges in accessing markets (and grocery stores), primarily driven by lack of money (15%) and less so due to COVID-19 safety concerns (1% of HHs).

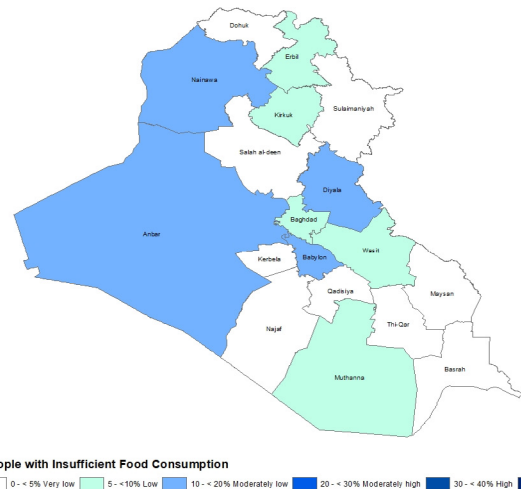


Figure 2. Distribution of people with insufficient food consumption. Where insufficient consumption refers to those with poor and borderline food consumption according to Food Consumption Score (FCS) using a seven-day recall (Source: WFP).

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VI. Food Supply Chain for Vulnerable Populations

The Non-Governmental Organizations Department in the General Secretariat of the Council of Ministers, in coordination with a number of local organizations, organized a humanitarian campaign inside Sardashti camp in Sinjar. The campaign included the distribution of 1,450 food baskets and other relief supplies to all residents in the camp.

¹³ <http://mot.gov.iq/index.php?name=News&file=article&sid=6235>

¹⁴ <http://mot.gov.iq/index.php?name=News&file=article&sid=6280>

¹⁵ <http://mot.gov.iq/index.php?name=News&file=article&sid=6220>

¹⁶ <https://www.ninanews.com/Website/News/Details?key=889209>

¹⁷ The estimates were based on a statistically significant sample of 1,620 people interviewed telephonically