



Iraq Covid-19 Food Security Monitor

Bi-weekly Update Issue 28 16 February 2021

Government Decisions

14 February 2021

The cabinet has allocated 100 billion Iraqi dinars (around \$68 million) to pay delayed dues owed to wheat and barley farmers for the agriculture season 2019-2020.¹

I. Key Messages

- While the price of oil has increased as global oil markets recover, still some delays in payments owed to wheat and barley farmers who marketed their production to the government. The government has been speeding up its payment transfers before the new marketing season is due to begin in March. The harvest season for wheat and barley in southern Iraq begins in mid-April.

- Iraq has been ramping up its exports of vegetable production, with MoA facilitating export procedures as part of a government effort to increase exports and regional integration with neighboring countries such as Saudi Arabia.

- While the prices of basic food items (flour, rice, sugar) have remained stable, vegetable oil prices have increased slightly. Food access, mainly due to lack of money, and coping strategies including relying on lower quality foods and resorting to borrowing are becoming more prevalent at a time when the currency devaluation has increased prices of imported food items.

II. Overview

The novel coronavirus (COVID-19) has continued to spread in Iraq. As of 16 February 2021, the World Health Organization reported 646,650 confirmed cases and 13,185 deaths. On 13 February, the Supreme Committee for Health and Safety issued several decisions to contain the resurgence in the pandemic in Iraq, including a weekly full lockdown from Friday to Sunday with exclusion of Ministry of Health employees, security forces, markets, fruit and vegetable stores, bakeries and pharmacies.

The recovery in oil prices has provided some respite to the Iraqi government which has been struggling from lower government revenues. The government is dependent on oil for almost 90% of its revenues. Over the past two weeks, Basra heavy oil prices fluctuated between USD 55.31 and USD 61.26 per barrel, above the USD 50 average of 2020.

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.

III. Food Supply: Production (primarily on farm)

The government has allocated around a hundred billion Iraqi dinars (\$68 million) to be disbursed to wheat and barley farmers for the 2019-20 agriculture season. The payments will be distributed through the General Company for Trading of Grains, a public company under the Ministry of Trade (MOT), particularly in southern governorates of Diwaniyah and Thi Qar.²

¹ <http://www.cabinet.iq/ArticleShow.aspx?ID=11053>

² <https://www.ninanews.com/Website/News/Details?key=887040>

³ <https://almaidapaper.net/view.php?cat=233461>

⁴ <http://mot.gov.iq/index.php?name=News&file=article&sid=6242>, http://mot.gov.iq/index.php?name=News&countpage=20¤tpage=0&new_topic=0

Iraq is set to export 10,000 tons of tomatoes and 5,000 tons of potatoes to the Kingdom of Saudi Arabia via the Arar border crossing, while 500 tons of potatoes will be exported to Kuwait via the Safwan border crossing. Potato production has marked a significant increase of 136.9% from the previous year in 2020, with planted areas exceeding 56.4 thousands dunoms. MoA has continued to support exporters to new markets as part of the government efforts to increase agricultural exports and state revenues.

Large quantities of smuggled vegetable crops and poultry products were seized and destroyed at several Iraqi border crossings, and legal measures were taken against violating traders, following the recent strict measures put in place by MoA to prevent smuggling of agriculture products. The government has stepped up efforts to protect local agricultural and livestock production and to ensure markets are supplied with local produce according to agriculture plans and crop calendar.

In order to preserve national fish stock, MoA has prohibited fishing (on rivers and in lakes) during breeding season across the country, with the exception of marine fish and fish farms. The ban also includes the use of illegal fishing methods such as small hole nets and explosive devices. Fish breeding in rivers, marshes and lakes in Iraq usually extends from mid-February till mid-April in Basra, Diwaniyah, Nasiriyah, Maysan, Najaf and Muthanna. Further north, breeding extends from early March to early May in Baghdad, Babylon, Diyala, Wasit, Salah al-Din, Karbala and Anbar governorates, and from April to July in Kirkuk and Nineveh governorates.

In support of livestock breeding and production, over 52,968 tons of barley was transported to processing sites in Diwaniyah as part of MoAs plan for the distribution of animal feed. The distribution of animal feed will benefit around 1,657 animal breeders, who hold around 425,638 sheep, 19,028 goats, 16,446 cows, 6,621 buffalo, 8,070 camels and 55 horses. Additionally, 2,419 tons of feed was allocated to poultry and fish producers.

IV. Food Supply: Markets (farm to market)

The devaluation of the Iraqi dinar has resulted in the reduction in market activity. Wholesale food traders estimated that the demand has decreased by around 50%, as the purchasing power of Iraqis decreased as prices of imported food items increased.³

The Ministry of Trade (MoT) through its agencies continue with the distribution of sugar commodity as part of public distribution system (PDS). This distribution started in Ninewa, Wasit, Basrah, Najaf, Anbar, Kerbala, Maysan, Diwaniyah and in some parts of Baghdad city. In addition, MoT has started the distribution of locally produced of vegetable oil, and distributed the second round of wheat flour supply.⁴

Private mills in Diwaniyah Governorate have started processing locally produced rice for distribution as part of the Public Distribution System (PDS). Additionally, around 120 tons out of 750 tons were transferred from warehouses in Hilla, Babel Governorate to Baghdad re-enforce the storage capacity of the State Company for Trading Grain.

V. Food Demand (markets to consumers)

Prices. During the last week of February, no significant bi-weekly changes observed in the price of basic food commodities. National average price of sugar and wheat flour prices remained stable while comparing with the second week of the month. The national average prices of vegetable oil increased slightly by 5%. Notable increases were recorded in Baghdad by 38% (2,000 to 2,750 IQD per KG), Muthanna by 15% (2,000 to 2,500 IQD per KG), Anbar by 11% (2,250 to 2500 IQD per KG) and Thi-qar by 10% (2,500 to 2,750 IQD per KG). The national average prices of rice decreased marginally by 3% (1,800 to 1,747 IQD per KG) with notable decreases Salaheddin by 17%, Thi Qar by 13%, and by 11% in each of Maysan and Diwaniyah.

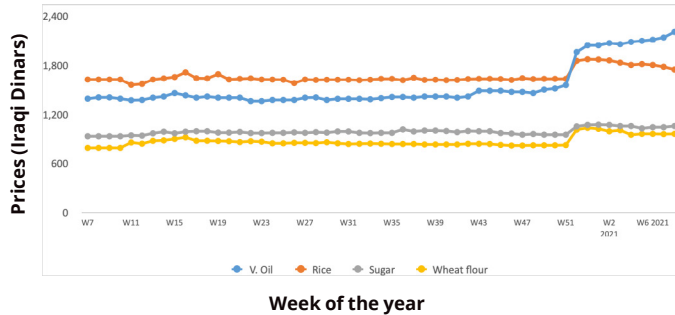


Figure 1. Weekly food prices (national averages) for four staple commodities during the COVID-19 crisis (Source: WFP)

Consumption Patterns. WFP's Vulnerability Analysis and Mapping (VAM) data on February 27 estimated that around 6% of the population had insufficient food consumption, a decrease of around 200,000 individuals (from 2.6 to 2.4 million) compared to February 14. The most significant decrease was observed in Babil (from 34% to 25%) and Diyala (from 10% to 6%). Around 10.6% of the population is resorting to negative food-based coping strategies. The most commonly strategies were relying on less expensive food (36%) and borrowing food (28.5%).⁵

Comparing with second week of February, the number of households reporting challenges to access the markets increased from 14.7% to 16.5% of the population (an additional 600,000 individuals). Movement restriction and the pandemic were not a major constraint to accessing markets, with 14% reporting that not having money was the major reason for not accessing food markets.

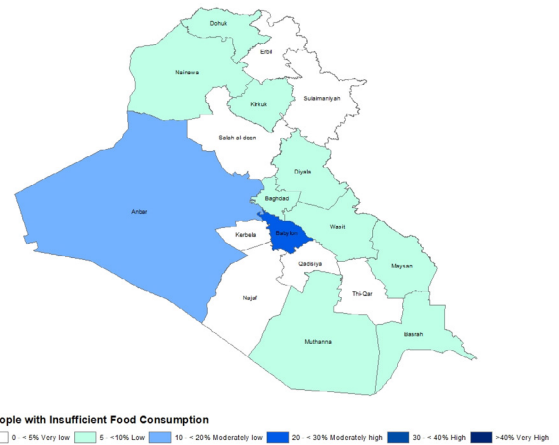


Figure 2. Distribution of people with insufficient food consumption. Where insufficient consumption refers to those with poor and borderline food consumption according to Food Consumption Score (FCS) using a seven-day recall (Source: WFP).

⁵ Based on statistically significant sample of 1,620 people interviewed via telephone survey.