



Iraq COVID-19 Food Security Monitor

Bi-weekly Update - Issue 21

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Date

Government Decision

27 October 2020 The Council of Ministers agreed to continue its support of wheat and barley seeds to farmers with a ratio of 70%. Initially, the Ministerial Council on Economics in Iraq proposed a reduction in seed subsidy to 35%. However, and in an effort to achieve national sufficiency in wheat and barley similar to this year's production, the Ministry of Agriculture (MoA) has lobbied the Ministerial Council on Economics to maintain its 70% subsidy of seeds while reducing its support of fertilizers from 50% to 35%.

I. Key Messages

- While under immense fiscal stress, the Government of Iraq (GoI) is prioritizing the subsidy of the upstream of the wheat and barley value chain through the continued 70% subsidy of seed costs.
- Main commodity (wheat flour, sugar and rice) prices remain stable, while price of cooking oil remains volatile throughout Iraq.

II. Overview

The novel coronavirus (COVID-19) has continued to spread in Iraq. As of 2 November, the World Health Organization reported 478,701 confirmed cases and 11,017 deaths; roughly a 11% and 6.7% increase respectively over the preceding two weeks.¹

The COVID-19 pandemic and the diminishing oil revenues have increased Iraq's vulnerability to food insecurity. Oil prices experienced an unprecedented fall in early 2020, followed by a modest recovery later this year. Over the past two weeks, Basra heavy oil prices fluctuated between USD 38.95 and USD 36.12 per barrel, up from minimum of USD 18.7 per barrel in April 2020, but well below USD 58.4 per barrel, the price recorded roughly one year ago.²

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)

Production. The Council of Ministers agreed to continue its support of wheat and barley seeds to farmers with a ratio of 70%. Initially, the Ministerial Council on Economics in Iraq proposed a reduction in seed subsidy to 35%. However, and in an effort to achieve national sufficiency in wheat and barley similar to this year's production, the Ministry of Agriculture (MoA) has lobbied the Ministerial Council on Economics to maintain its 70% subsidy of seeds while reducing its support of fertilizers from 50% to 35%.³ MoA, through the Iraqi Company for

Seed Production, will disburse of dues owed to wheat seed farmers for the season 2019-2020.⁴

Due to insufficient local production of hatching eggs, MoA allowed the import of egg-laying hens and hatching eggs for meat production through Baghdad and Basra ports. MOA will impose high tariffs on imported hatching eggs to help protect the local poultry sector and prevent market price fluctuations.⁶ Additionally, MoA also allowed the import of poultry feed including corn, soybean and premix (a mixture of vitamins, trace minerals, medicaments, feed supplements and diluents) to increase availability of different feeds in local markets.⁶

MoAs Veterinary Directorate completed its vaccination campaign against foot and mouth disease (FMD), which covered all of Iraq excluding Kurdistan region, targeting 1,978,268 of cows, buffaloes and calves.⁷

The Kurdistan Region of Iraq (KRI), recorded an increase in rice production from 18,902 tonnes in 2019 to 22,538 tonnes in 2020 – covering almost 10% of the total needs of rice in the Region. This increase has been spurred by the spread of COVID19, which incentivized farmers to invest in their own food self-sufficiency due to decreases in public sector salaries. Furthermore, potato production in KRI recorded a surplus of 170,000 MT from local needs of 90,000 MT. This surplus is set to be sold to the center and south of Iraq.

Other Challenges. The Plant Protection Directorate ceased its campaigns to control dubas bug and rodents in the southern Governorates, while campaigns against tomato leaf miners continue nationwide covering an area of almost 8,500 hectares of tomato fields. Campaigns against Red palm Weevil also continues in Safwan sub district in Basra. The directorate is already distributing pesticides to the agricultural directorates for the treatment of wheat and barley crops against seeds and soil borne pathogens during the current sowing season.⁸

IV. Food Supply: Markets (farm to market)

MOA has extended the importation ban on 24 agricultural products in order to protect the local production as part of the Local Products Protection policies. MOA emphasized that the necessary measures have

¹ Johns Hopkins University, <https://coronavirus.jhu.edu/map.html>

² https://oilprice.com/freewidgets/get_oilprices_chart/4400

³ MOA. <http://zeraa.gov.iq/index.php?name=News&file=article&sid=8654>

⁴ MOA. <http://zeraa.gov.iq/index.php?name=News&file=article&sid=8640>

⁵ MOA. <http://zeraa.gov.iq/index.php?name=News&file=article&sid=8652>

⁶ MOA. <http://zeraa.gov.iq/index.php?name=News&file=article&sid=8646>

⁷ <http://vetsc.gov.iq/index.php?name=News&file=article&sid=1407>

⁸ <https://ar-ar.facebook.com/pg/Protection0/posts/>

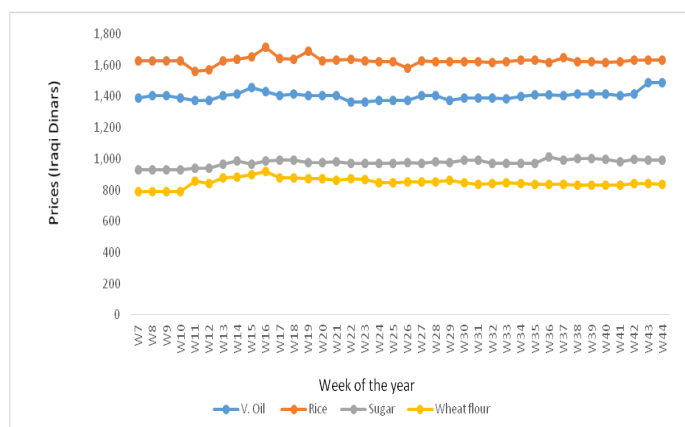
been taken by the authorities at the border entry points and security forces to ensure the application of the instructions.⁹

V. Food Demand (markets to consumers)

Prices. During the last two weeks of October (Week 43 and Week 44), the national average price of wheat flour, sugar and rice remained stable and reported no significant change compared to the earlier weeks. However, the average price of vegetable oil at nation level witnessed 6% increase from IQD 1403 per liter during week 41 to IQD 1486 per liter during week 44 (see Fig 1). This was driven by the price increase in six governorates. In Duhok, Kirkuk, Muthanna, Najaf and Wasit, the

oil after months of suspension due to limited fund allocation, where 36,000 tons of oil and 40,000 tons of sugar were distributed as part of the 4th distribution cycle. The 8th distribution cycle of wheat flour was concluded and the grains state company is preparing for the 9th distribution cycle. Overall, MoT remains behind in its food basked distribution due to major financial challenges arising from the lack of government budget and substantially decreased government revenues.

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



vegetable oil prices increased by 20% (IQD 1,250 to 1,500 per liter), while in Thi Qar the price increased by 17% (IQD 1,500 to 1,750 per liter).

In general, food prices in Dohuk remain volatile. Wheat flour price increased by 25%, while sugar prices increased by 20% and rice prices increased by 17%.

Consumption Patterns. WFP's Hunger Monitoring System (mVAM) data collected during 9th of October to 6th of November revealed that around 3.2 million people in Iraq are contending with insufficient food consumption, and increase by around 300,000 individuals month-on-month. During this period, Ninewa governorate reported the highest proportion of insufficient food consumption with around 20% of the population with insufficient food consumption. Around 8.9% surveyed households (HH) were using crisis or above crisis-level food-based coping strategies, which include relying on less expensive food (30.7%) and borrowing food (30.5%). Among the households who accessed markets/grocery stores during the reporting period, around 11.9% reported access challenges due to COVID-19 safety concerns. Additionally, 25.5% of the HHs faced challenges in accessing health facilities, with lack of money being a major challenge.

VI. Food Supply Chain for Vulnerable Populations

The Ministry of Trade (MoT) has resumed the distribution of sugar and

⁹ MOA. <http://zeraa.gov.iq/index.php?name=News&file=article&sid=8664>